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SUMMARIES
FOR A
QUARTER OF A CENTURY.

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PREFACE.

History and News, necessary as they are to one another, have never pulled together, or been very fast friends. News belongs to that indefinable Present, which has no real existence, but is only the ever advancing line between all that has been and all that is to be. It is ardent, requisitive, and hopeful ; always reaping its harvest, and better able to house its stores than to use them. Grasping with one hand what is under its feet, with the other it points to coming prizes. History lags behind, tries to choose its pace, to select and order its materials, and to dominate over the silent, still, and unresisting realm of the once mighty Past. Between two beings so unlike in their provinces and instincts there must be a border land, and for a long period it has been the field for desultory and partial enterprise rather than any serious design to fill the gap between a receding Past and a flying Future. Many attempts have been made, and are made, but it yet remains a universal complaint, whether in the school or in the study, that while it is more or less possible to master any former period of the world's progress, there is nothing to call a history of the period comprised in a man's own life and experience. He cannot compare his own recollections, or his own comments, with those of any author who has made it his business to survey human

affairs and to sum up their manifold lessons from time to time till the very present hour. Any journal or other periodical claiming an imperial character does this in some fashion when it gives the history of a Session, a Ministry, a Parliament, a war, or a cause. Such reviews, however, have to be collected and supplemented, and have generally the bias almost inseparable from the review of the special subject under present discussion. What we have attempted now for a long time, in the form of an Annual Summary of the Events of the Past Year, is the nearest approach to a history immediately evolved from the news of the day—that is, from their publication and discussion—that has yet been made. When one takes into account the difficulties under which even an Annual Summary must be done, we must conclude it hardly possible to strike the balance of human affairs at shorter intervals. The comprehensive survey and solemn attitude of the historic Muse become ridiculous when applied to the smaller fragments of time. A series of Annual Summaries ought to leave no interval and let no topic slip through. It ought to be a history, for even History itself does not disdain to observe the alternations of activity and repose, anticipation and retrospection, that in public, as in most private affairs, go along with the seasons of the natural year.

In the form, then, of the Summaries presented to the readers of *The Times* on the last day of the year, these pages are a history of the last twenty-five years—the third quarter of the 19th century. It is not too much to say that the period is not

surpassed by any former equal period in the importance, the interest, and even the surprising character of its events. It does not lack a single circumstance of distinction, and, upon the whole, Englishmen must regard it as one continued triumph of progress, though not always in the way that had been expected. This quarter of a century has seen the beginning and the end of the Second Empire ; the first and second International Exhibitions, with the numerous useful and magnificent institutions that have risen out of them ; it has seen the Crimean War, and the ultimate surrender of the chief object supposed to be then secured ; it has seen the Indian Mutiny, long foreboded, and now long forgotten ; it has seen the union and independence of Italy, established by the overthrow of German influence, and the expulsion of the Bourbon and Austrian Princes, and the foundation of the Italian kingdom ; it has seen the extinction of the Papal Temporalities and the preposterous attempts to restore the mediæval Papacy by the Vatican Council and other like extravagances ; it has seen Pro IX. start a Liberal Reformer and finish a Despot in a self-made prison ; it has seen the beginning and the end of the war which threatened to break up the American Union, but which only abolished slavery and laid the Union under a debt more burdensome than our own ; it has seen the last of WELLINGTON's glory and the cutting short of the PRINCE CONSORT's useful and exemplary career ; it has seen Prussia begin on the Danish peninsula, carry on to the shores of the Danube, prosecute through the many realms

PREFACE.

of much divided Germany, and accomplish at Paris her long-matured scheme for the restoration of the German Empire under her own dynasty ; it has seen the losses and humiliations of Germany repaid with tenfold interest on her foe, and France, in her turn, laid under the heel of an un pitying conqueror ; it has seen in France a political beginning whereof none can guess the end. In the course of these events it has seen battles, defeats, surrenders, capitulations, on a scale and with incidents beyond all former example. At home it has seen a Parliamentary Reform Act hardly less important than the first ; it has seen British armies triumphant in Abyssinia and Coomassie ; it has seen Spain surpassing herself in revolution, anarchy, and civil war ; it has seen the commencement, the completion, and now the practical acquisition by our own country of, perhaps, the grandest material work ever achieved by man—the Canal which divides continents and unites the northern and southern oceans ; it has seen the disestablishment of the Irish Church, the settlement of Irish Tenant Right, the foundation, at length, of a really national system of elementary Education, and the serious progress of many measures for the health of the people ; it has seen England visited by distant potentates better known hitherto in travel or in tale ; it has seen steam substituted for sails, and iron armour-plates for the “ wooden walls ” of England, on a scale beyond the dreams of our forefathers ; it has seen even the Army accept some once impossible reforms ; it has seen the electric wire, which, twenty-five

years ago, was just known to the educated and used by the wealthy, carried to every post-office and station in the country ; it has seen the Thames embanked and the Metropolis drained ; it has seen the completion of Free Trade, the removal of all religious disabilities and restrictions ; it has seen numerous Royal marriages of singular interest and high promise ; it has seen our colonies, by the gold discoveries and by emigration from home, rise to the rank of free States and valuable allies ; it has seen an extension of our manufactures, trade, and commerce beyond all anticipation ; it has seen discoveries and inventions which it takes volumes even to enumerate ; it has seen our system of law and judicature reformed from the base to the summit ; and, meanwhile, it has seen the working classes, whether in country or in town, spontaneously, and with hardly an effort, rising to receive their full share of the national gains. It is hard to say what subject of interest has not become more interesting, more stirring, and more important during this period. In matters of faith there have been controversies, secessions, conversions, church and chapel building and restoration, such as there never was before. Ancient cities have been discovered, with buried literatures, languages, and annals. Central Africa has been discovered, opened, and introduced to science, humanity, and enterprise. Asiatic empires are enduring, and even inviting, European civilization. England, in spite of herself, is extending her posts and stretching her limits. Year by year, as told in these pages, the changes may not be rapid, sudden, or unaccountable ; the develop-

ment may seem measured, and even slow ; but they who can recall the general state of feeling this very day twenty-five years since may remember that England was looking with not a little incredulity, and even apathy in some quarters, to the completion of a material effort—the Exhibition in Hyde-park ; expecting not very much from it, but one thing, at all events—the substitution of peace for war, and the arts of peace for those of war by all civilized nations. Little did it see of the marvellous tenour, and still more marvellous episodes of the time that was coming. Little as we can forecast the manifold good and ill due to us by the first law of human probabilities in the course of the next twenty-five years.



ANNUAL SUMMARIES.

1851.

There is a rule of life so directly the ordinance of Nature that all authorities are unanimous in its favour. Moralists and economists, philosophers and merchants, alike insist on the duty of reviewing the natural periods of time and settling the balance of losses and gains. As we are placed here to advance and improve, unless we keep a log of our voyage, and take stock of our goods, we lose at least one important security and stimulus. An annual Budget is expected from the CHANCELLOR of the EXCHEQUER, and HER MAJESTY cannot open Parliament or prorogue it without a short, business-like review of the recess or the session. Following these precedents, therefore, we will proceed to sum up the losses and gains of the year 1851, which has just quietly expired.

It has given us one vast and immeasurable gain in the Great Exhibition. All the nations of the civilized world, not to say more, have been represented—some very largely, and all very efficiently—in one fair temple of industry and peace. All have become wiser and better known; all have cast into one great treasury, and been blessed from its stores; and on the minds of many nations and many millions has been left one soothing and instructive,—one glorious and indelible impression. On all sides the seeds of knowledge and enterprise, cast on the waters of that peaceful confluence, are beginning to bear fruit in new discoveries and undertakings. A vision of universal peace has been seen by the world, and, if its realization is still remote, its influence is not the less salutary and

energetic. We are not among those who expect that the triumphs of peace are likely in our time to extinguish the passions of peoples and the ambition of adventurers ; but we nevertheless think we may dwell with satisfaction and hope on the memory of an event the direct and natural tendency of which is pacific and profitable. The more of such occasions the better. They are the basis of institutions, and the means of an intercourse which cannot but endure, and which must in time tell on the fortunes of humanity. England has had her full share in the glories of this world-wide competition. She has effaced the national stigma of inhospitality. She has shown a largeness of conception, a practical talent, a rapidity of performance, a power of organization, a fertility of resources, and even a taste, for which foreigners had hardly given her credit. More conspicuous than all have been her fairness and generosity. All this is gain. The victory has been as cheap as it has been bloodless. The whole cost of the Exhibition to the thousands of exhibitors and millions of visitors has not equalled that of one battle. Among other results there has been an interchange between this and the neighbouring metropolis, singularly befitting the year that has seen the two cities linked by instantaneous communication, and most happy at a crisis when events are occurring of a nature to revive the slumbering recollections of a miserable war.

Few who keep house will forget in the more prominent glories of this year that it has emancipated from a barbarous tax the light and air of heaven ; nor will dwellers in this city forget that it sealed the fate of Smithfield. There are other honourable and even grateful associations that will be ever connected with this memorable year. As if to show that the monster attraction in Hyde Park could neither divert the national mind from objects of paramount value, nor supersede other species of

advancement, there have been some grave proceedings of a religious or a political aspect. The nation has made a solemn protest against Papal aggressions, and if the enactment in which it was expressed was not strikingly bold or immediately effective, it is the nature of constitutional protests to be rather for future interpretation than present effect. Again, at the very commencement of the Exhibition, and with an inexhaustible fund of popularity accruing thence to the advisers of the CROWN, they were signally beaten more than once. They had to resign on a question of Parliamentary reform, and returned to office on a promise to bring forward a comprehensive measure next session. The year 1851 has thus bequeathed a great work to the year 1852, and the Ministerial crisis which has brought it about must be set down to the credit of the former year. St. Alban's, also, may claim some share in the honour of hastening the second Reform Bill. Reform has this year made its way into the Court of Chancery, and a long desired change has been introduced into the law of evidence. For the rest, we believe we may say with literal truth that the year 1851 has been unexampled for material prosperity, for the amount of imports and exports, for the quantity of both British and foreign shipping in our ports, for the amount of labour employed, whether skilled or unskilled, whether in the mill, the workshop, the mine, the shipyard, or the field; for the decrease of pauperism, and for the enjoyment and cheerfulness of the people at large, a very large proportion of whom have had their share, as delighted and deserving spectators, in the Great Exhibition.

The losses of the year, though eclipsed in its splendour, have not been inconsiderable. We have seen a British Colony in South Africa assuming a portentous resemblance to the French Colony in the north: a settlement of herdsmen and traders

lapsing into a chain of military posts, held with vast bloodshed and cost against implacable savages. The Census of this year, while it adds fresh proofs to the growing prosperity of Great Britain, especially in its manufacturing districts, discloses the serious fact that famine, fever, and emigration have taken away not less than 2,000,000 of our Irish fellow-subjects. Happily, seven-eighths of the loss are attributable to the last and least unhappy of these causes, but the actual estrangement of so large a British mass, not only from these isles, but for the most part from the British CROWN, is a fact the gravity of which we may some day have cause to appreciate. As for our relations with foreign Powers, we have long ceased to indulge in any warm international attachments, or to expect them in return, so there is not any positive loss to be noted under this head. Our relations with Italy are not improved by the sympathies freely expressed in this country for the politico-religious enthusiasts who are preaching a crusade against every throne in that peninsula. Our relations with France are not improved by our stubborn preference of constitutional government, even in the form of a Republic, over military despotism. Our relations with the United States are threatened at this moment by a disagreeable and unaccountable incident, of which it is premature to speak till something is known about it. On the whole, however, it can hardly be said that we stand quite as well with the rest of the world as we did a twelvemonth since, though there was not much to boast of even then. Perhaps England has no right to expect a very general amount of sympathy. Insulated in position, with a mixed political constitution, the asylum for refugees from all nations, showing her flag on every sea, and thrusting her manufactures into every market, unable to sympathize entirely with either monarchs against peoples or peoples against monarchs, she

commands the respect, the fear, and even the admiration of mankind, but not their love or their free co-operation. Just now, however, another change is passing over this department of our public affairs. The advent of a new Foreign Secretary offers some hope that we shall preserve our boasted neutrality without either compromise or petulance ; without offering the right hand to rampant despotism, and the left to democratic conspirators. The new Minister starts with the best of omens in his favour. In the mimic world of the Great Exhibition, with its territories, its sectional Governments, its fierce competition, and its common appeal, Lord GRANVILLE has performed the functions of King *ÆOLUS* with most creditable success.

1852.

The year 1851 was pronounced eventful, for so it was by the ordinance of man, and when it was over they who witnessed the great triumph of art and congress of nations concluded that they might now rest awhile from excitement and change. It is true that much business was to be done in the Legislature, and sober-minded people preached the duty of work after play. There were questions to be resumed and arrears to be pulled up ; a grand beginning was to be carried out, and splendid theories made useful. It is true, too, that towards the end of that so-called marvellous year there were not wanting signs portentous of a future more checkered than just then suited the wearied expectations of man. But the year that has come forth, at least, has proved, as usual, a genuine child of the future. As usual, it has passed the anticipations of either prudence or folly, and bears its own character, new, varied, and even prodigious, in the tables of time. In fact, the year 1852 does not yield to its

predecessor in the momentous quality of its events and the interest which its mention must ever awake. As in duty bound, we cannot but record with gratitude that it has, on the whole, and on a calm estimate, been a year of great prosperity, and promise of still greater. War has kept far from these shores ; Europe is pacified ; little clouds have threatened the political horizon, but have passed away harmless. The United States are still content with their own ; the festering quarrel that for twenty years has interrupted our commerce in South America has been happily stanchd ; even the miserable Caffre War has almost exhausted itself ; the new General who was sent there in January already talks of his return ; our war with our East Indian neighbours is little more than an endless parade at the cost of English patience and money ; and so the year has closed on an all but universal tranquillity.

But the mention of war cannot but suggest both our danger and our loss. We have this year lost our greatest man. The Duke of WELLINGTON, who has stamped his name on so long a range of epochs, and who even last year still seemed a man to guide the fortunes of his country in peace or in war, has at length gone from us ; and this year, though so far in the century, borrows a splendour not its own from the revival of his story and the long record of his fame. We have buried our great chief, with the consciousness that the eyes of many nations and of future ages were upon us. Time seemed to retrace its steps ; there was a pause in the political strife ; all parties, all classes for once were agreed to gather round the grave of the man whose achievements, unparalleled as they were, nevertheless seemed the least part of his greatness. That has been the greatest act of the year, and whatever has been omitted towards the welfare of this country at a crisis of just anxiety has been supplied by the

determination of all classes to show the utmost possible readiness to honour their common deliverer. To pass to other countries, the same year has seen the death of SOULT in France and CASTANOS in Spain, each of them, with what justice it is needless to inquire, compared in his own country to our WELLINGTON. While the great relics of the last war have thus been passing away, the Imperial Throne and unscrupulous ambition of NAPOLEON have been revived in France. Once more Peace seems to hang on the breath of a man who may consult necessity or passion by giving the fatal word that shall surround these isles and cover the ocean with war. From this year we are unfortunately compelled to date the restoration of our long-neglected defences, in the shape of a new Militia at home and a class of screw ships fit to cope with the giants recently launched from the ports of our nearest neighbour. Our security is affected by the blow that struck down the liberties of France. What NAPOLEON III. has done to his subjects he may, with as little warning or hesitation, do to us, who have less claim to his mercy. The confiscation of the ORLEANS property and the release of ABD-EL-KADER, if they show a difference of demeanour to those whom he may consider his foes, prove, at least, the habitual secrecy and boldness of his designs.

Our domestic politics have been scarcely less strange. A large malcontent party, long mustering to the cry of Protection, has been unexpectedly let into power by the divisions of its opponents, and, after a reign dexterously spun out to 300 days, has been rejected by their reunion. Lord DERBY and Mr. DISRAELI have thus had a year's government of this country, not without success. A large body of their adherents has been added to the roll of British statesmen. Our defences have been restored, and Chancery reformed. The exploded

dogma of Protection has had its last appeal in a new Parliament, and in that appeal has now been cast for ever. From this year we date, then, a "Coalition" Ministry, combining all who are willing to govern the country on the principles that have prevailed for the last thirty years. Lord PALMERSTON has been this year—almost exactly this year—out of office, and is not the least remarkable member of our new Christmas party. A crisis of such political difficulty has given us more of the seeds of progress than of actual legislation. Rival factions now vie in the promise of reforms, nor are there wanting many indications of change, whether we look to events, to discoveries, or to the scarcely less palpable development of public opinion. Labour of all kinds is becoming less of a drug, and the tables are turning against the employer. Coal, iron, other metals, and even agricultural produce are rising. Our workshops and factories cannot keep pace with orders. With increased employment there is a corresponding increase in the use of comforts and luxuries. Never did the metropolis and manufacturing towns show so rapid a growth. Notwithstanding these inducements at home, emigration has set in to our Australian colonies, in addition to the Transatlantic current, with unprecedented force. Vessels cannot be found too large or too swift, and a new class of emigrant ships has come into existence, to be replaced, possibly in its turn, by one much larger. Lines of steamers are designed, or are already commenced, to all parts of the globe, and scarce a week passes but some new wonder is launched on the deep. Not to insist for ever, or exclusively, on the benefits of Free Trade, the immediate cause of this extraordinary movement by land and by sea is the daily increasing discovery of the Australian goldfields. The vastest treasure ever yet accumulated by man has been this year in the vaults of the Bank of England ; but it is no

more than the annual crop of gold reaped by a few thousand Englishmen from the valleys and mountain sides of a remote colony. The probable effect of this Providential interference with the old distribution and laws of wealth baffles the skill of the boldest and most experienced speculator. The channels of currency and of commerce take a long time to fill with this new stream of gold, but they must overflow before long ; and then we shall see, more clearly than reason can tell us, the final result of these wonderful discoveries.

In the conflict of parties the Legislature has hardly kept pace with events and spontaneous changes. Much-desired improvements of the metropolis are yet at a standstill. If there is anything to notice, it is that nuisances of all kinds grow with the growth of this huge city, and become yearly more intolerable and more difficult to be mastered. But the age is still big with promise. The Exhibition which has this year been swept clean from Hyde Park has left twin offspring,—the one national, the other private. That which is growing up under official nursing is to be a vast and comprehensive Institute of Art and Science at Kensington-gore. The less favoured progeny is already rearing its lofty dome on the ridge of the Surrey hills, and bids fair to surpass, in many respects, its splendid original. The year 1852 will be famous in the annals of education for the copious reports of the two University Commissions. But, whether for good or ill, for promise or for failure, few years will be more memorable. The Church of England will remember how Convocation contrived to get up a debate. Christians of all kinds will deplore the common scandal of rival churches in the cause “ACHILLI *versus* NEWMAN.” Everybody will remember our summer of intolerable heat and drought, our autumn of rains and inundations. Within this checkered twelvemonth were lost the

Amazon and the Birkenhead. Scarcely any but will associate the year with losses not so terrible, but nearer home. Few years have been so fatal to genius and worth. From a much larger obituary may be selected the names of TURNER, PROUT, J. LANDSEER, FINDEN, ELIOT, WARBURTON, T. MOORE, D'ORSAY, PORTER, the economist, PUGIN, and WEBSTER, the American statesman.

1853.

'The year' which this day will bring to a close wears on its departure a checkered and cloudy aspect, and has hardly redeemed the bright promise of its earlier days. Domestic prosperity has been tempered by the visitations of PROVIDENCE, and external peace troubled by the unruly will and profligate ambition of man. Our united Ministry has given at last a striking proof of disunion; our prosperous artisans are pining under the self-imposed misery of "strikes." Wherever we look we find good and evil so inseparably linked together—sweet so mingled with bitter and bitter with sweet—that we cannot for a moment forget the uncertain tenure of our most brilliant prosperity, or the degree in which prudence, foresight, and manly public spirit may mitigate the visitations of trouble and adversity.

The year opened with a pleasing retrospect of the past, and happy anticipations for the future. In the cheapness and abundance of the necessaries of life—in the happiness and content of our people—in the enormous stimulus given to trade and manufactures—in the unprecedented extension of our commerce and shipping, we were beginning to enjoy to the full that prosperity which the most sanguine advocates of Free Trade had predicted to incredulous audiences. and by denying the possibility of which

many people had attained for themselves the reputation of wisdom and moderation. Our relations with foreign States were uniformly of the most amicable description. No cloud overcast the Eastern sky, and the future tempest lay hid beneath the clear and treacherous horizon. The marriage of the Emperor of the FRENCH, which ushered in the year, was gladly accepted as an omen of future peace and goodwill. The bitter feelings which arose out of the *coup d'état* of 1851 had begun to soften, and never since the stormy year 1848 had matters in Europe seemed so promising and so calm. In domestic politics the sanguine might almost believe that we were about to enter on a political millenium. The attempt of a party formed rather on personal animosity than on principle to retain in its hands the government of the country, for which it had neither capacity nor character, had just signally failed, and the commencement of this year saw the formation of a Ministry from men long conspicuous as the leaders of opposite parties, but now welded together in a close and irresistible phalanx for the promotion of the public good. For the first time in its history the country saw its talent, its experience, and its worth harmoniously combined in its service, and had the satisfaction of thinking that, if the reign of party spirit was not over, a great step had, at any rate, been taken towards rescuing the administration of public affairs from the tools of family cliques or the nominees of unprincipled factions, and placing them in the hands of those best able to administer them.

It is only just to say that the long and laborious session of Parliament which followed more than justified public expectation. It was to be anticipated that a Government so able and so well chosen should treat with a masterly hand the subjects to which it addressed itself, but it could hardly be supposed that in so short a period of time measures

so vast, so complicated, and dealing with matters so disputable, could have been originated, elaborated, and carried. The Session of 1853 will be for ever remarkable as having first fully brought to the attention of the country the financial and Parliamentary abilities of Mr. GLADSTONE, to the shame and confutation of those who insist on believing that the sun of Parliamentary eloquence is set, and that the reign of VICTORIA must not hope to be illuminated by that vigour and splendour of debate which shed so bright a lustre on the Parliamentary annals of her grandfather's reign. The Succession Duty boldly announced and successfully carried out the principle that all classes are henceforth to be regarded as equal in the eye of the law, and that the feudal immunities of real property are at an end. The Corn Law had said that no taxes should be levied for the benefit of a part of the community; the Succession Duty declared the logical converse—that no part of the community should be exempt from taxation. Our finances are thus placed on a sound, because a durable, footing, and the place of the Income Tax is occupied by an impost which under no circumstances can ever be repealed. The Irish Income Tax is, like the Succession Duty, still more valuable as an expression of principle than as a means of revenue,—what the one declared with regard to classes the other ratified with regard to countries, and the invidious exemption which had been granted to poverty fell at the same time as the unfair preference accorded to wealth. The Canada Clergy Reserves Bill will be not less memorable as an authentic declaration of non-interference with the details of colonial government. The India Bill, though very far short of what the country had a right to expect, will yet form a memorable epoch in the history of our great dependency, and, if we mistake not, in that of our public employés. It was much to put an end to the

system by which India was leased out for twenty years to a proprietary government, and the inquiry into all abuses adjourned till the completion of this recurring cycle, but it was infinitely more to determine that the vast and lucrative patronage of civil employments in India should henceforth be thrown open to free competition. The value of such a stimulus to the educational institutions of this country cannot be exaggerated, and it is hardly possible to conceive that so excellent a principle should not bear fruit nearer home. It is probably from this year that the future inquirer will date the commencement of a system destined ere long to almost universal application, by which the service of the State shall be rescued from the clutches of political and Parliamentary jobbers to be made exclusively the reward of distinguished merit. In the Charitable Trusts Bill we have another measure of vast importance, clearly establishing the distinction between public and private property, and claiming the right of the State to modify the former according to the present views of the interests of society, and to institute a rigid and unsparing inquisition into its management.

The course of the Session was not less remarkable for the great measures which were passed than for the surprising degree in which the House of Commons imbibed the spirit which had united and animated those called upon to preside over its deliberations. Its commencement was marked by an attempt to revive the old party personalities of former years, but the success of those attempts was not such as to encourage their repetition. As the Spring advanced, and measure after measure passed successfully, opposition grew weaker and weaker, till at last discussion was almost reduced to the candid statement of objections and suggestion of difficulties. Here is the bright spot of the year 1853; the patriot may dwell on the labours of our Parlia-

ment with pleasure, and the future historian may perhaps find occasion to record that about this period the Parliamentary system of Great Britain had reached its highest perfection.

If we turn from the deliberations of Parliament, we find that as the year advanced the prospects of the people at large lost somewhat of their brilliancy, and that the exuberant prosperity with which the year commenced is tempered by many and grievous abatements. Mr. GLADSTONE'S scheme for creating a Two-and-a-Half per Cent. Stock, neither unreasonable nor presumptuous at the time when it was proposed, was speedily thwarted and counteracted by a number of unforeseen accidents. The gloomy prospects of the harvest, which prognosticated a short crop, not only in these islands, but in every corn-growing country in Europe, were only too well verified by the result. The great prosperity of the working-classes had occasioned an enormous demand for all articles of food, and the prospect of a diminished supply had, therefore, an unusually stimulating effect upon prices, so that we are now paying rates with which the stanchest advocates of the Corn Laws might well have been content. But, though the advocate of the Corn Laws would be content, the heart of the people would have been full of repining and bitterness. Experience has well taught us what a scarcity of corn means under a system of Protection or Prohibition. Incendiary fires, Chartist meetings, frame-breaking, and every form of rural and suburban outrage, are the methods by which a people pinched for bread by unjust and unequal laws speaks to the conscience and fears of its rulers. They not only feel the effect, but they bitterly resent the cause. Let those who lament over the fate of bygone restrictions carefully consider what has happened in the present year. While almost every Government in Europe has stood in abject dread of its own subjects, and con-

descended to devices the most discreditable, in order to seem at least to palliate the severity of that famine for which they themselves have taught the people to hold their Government responsible,—while we see prohibitions abrogated, exportation prohibited, and artificial prices created by Governments proud of their strength, and careless, in ordinary times, of their popularity, our Ministers have been wisely content to leave the remedy of scarcity to the operation of demand and supply, and to trust to the good sense of a free people to distinguish between a scarcity caused by the act of an all-wise PROVIDENCE and by the blind and short-sighted meddling of man. Never was confidence more justly reposed or more fully repaid. The people of these islands, heretofore so turbulent at the approach of scarcity, have borne their privations without a murmur, and it has been satisfactorily proved that, by the repeal of the Corn Laws, Government has for ever emancipated itself from the unpopularity which used to follow a bad harvest, and effectually removed one of the most prominent and frequently-recurring causes of discontent and sedition.

Yet, if the people have borne the present scarcity with patience, it cannot be denied that they have other grounds than these which make their position tolerable. Since the opening of the trade in corn a scarcity is no longer attended with a certain revulsion in the course of trade and a suspension or annihilation of commercial prosperity. Notwithstanding our defective harvest, aggravated as its effects have been by the ever-increasing probability of war, occupation has not flagged and commerce has not languished. A bad harvest is shorn of half its terrors, not only politically, but commercially. In the face of the present dearth, and of a war all but begun against one of the greatest Powers of the world, trade can maintain her buoyancy and manu-

factures their activity, and the Funds themselves, that sensitive barometer of public feeling, evince no sign of trepidation or dismay. As often as the speculators operate for a fall the uncontrollable confidence of the public intervenes, and the descent is checked and answered with a rebound. The people are confident in their commercial prosperity, because they know it is based on sure foundations—liberty, industry, and capital—and they dread little, as they have little cause to dread, the hostility of Russia. A more gratifying picture of national strength and self-confidence than these facts afford it would be difficult to find. Yet, there is the dark side even to this pleasing prospect. Confident as we are in our trade and might, the Lancashire “strikes” remind us that our wealth and our prosperity—all that makes this small population and diminutive Kingdom a first-rate Power among the nations—depend on the will of men too ignorant to understand their own interests, or to listen to any argument save that enforced by the wretchedness to which they are reduced by their own folly. At a period of scarcity, when some contraction of trade was to be expected, and an increase in the rate of wages was obviously impossible, a sudden rage has possessed the population in large portions of our manufacturing districts with a hope of bettering their circumstances through the desperate and suicidal agency of “strikes.” Week after week is the reckless contest protracted at the bidding of men whose pecuniary interests and personal importance are alike involved in its continuance, and contributions are levied from the industrious to maintain in idleness those who will not work. Capital is wasted, ill feeling engendered, habits of idleness formed, and habits of self-reliance undermined by these useless and endless contests, which can have no other effect than to destroy the fund out of which wages are to be paid, and to deprive the country of

one of her principal advantages in her hard race with foreign competitors.

Meanwhile, social principles⁷ of infinite practical value are beginning to be more thoroughly discussed and more clearly apprehended. The demand for general education becomes louder and more pressing, and seems likely ere long to assume a form which will enable Ministers to deal with it on a scale and with a completeness suited to its vast importance. The danger of lowering the franchise while its intended recipients are so ignorant, and the melancholy spectacle afforded by the "strikes," have lent strength to this feeling, but there is a cause at work the efficacy of which is probably not inferior to the other two. In this year we have for the first time taken upon ourselves the punishment of our own criminals. Transportation has ceased, and the crime of the country is returned into her own bosom. The effect is what might be apprehended. Men will begin to awake to the conviction that, if they are to retain their criminals with them, at all events it is better to catch them young than old, and to attempt their reformation before rather than after they have become hardened in crime. The movement for the reformation of juvenile offenders has this praiseworthy object, and now that the nation is fairly saddled with the responsibility of living among the crime it rears, we cannot doubt the experiment will be eagerly adopted and fairly tried.

This has been an eventful year in the history of the metropolis. A bold attempt has been made to free London from the miseries of smoke, of a foetid river, and of an inadequate drainage. The return of the Cholera has roused a spirit of local improvement which will not rest till it has done all that human care can do to arrest the progress of the plague. This year also is memorable as having witnessed the closing of our graveyards; and the

disinfection of our atmosphere by removing the dead to suburban cemeteries. But that by which this year will principally be remembered in the annals of the metropolis is the opening of the Royal Commission to Inquire into the Abuses of the existing Corporation. A vast amount of abuse stands convicted at the bar of public opinion, and only awaits the sentence of the Commissioners, while the discussions as to the mode of extending municipal institutions to the whole metropolis, and organizing the government and superintendence of the largest city in the world, will probably push to its utmost development the theory of subordinate government.

If we turn to the sister kingdoms, we observe in Ireland a gradual decay in the spirit of political agitation, and a general recourse to the arts of peaceful industry and material progress. Ireland, too, has had her Crystal Palace, and has earned well-deserved laurels by the undertaking. The QUEEN has been received with enthusiasm in the land of MITCHELL, MEAGHER, and O'BRIEN, and the virulent orators of New York find no echo in the land of their birth. Ribandism is not, unhappily, extinct, but is fallen from its former palmy estate. But, while Ireland is thus adopting English habits and feelings, a few zealots, principally of the extinguished Protectionist party, are seeking to light the torch of discord between England and Scotland, and to inoculate this rich and happy country with the poison which has so long circulated in the veins of poor and miserable Ireland. The grievances complained of have been so paltry or so false, and the tone of remonstrance so exaggerated and hyperbolical, that the good sense of the people of Scotland has at present held them aloof from the movement. We heartily trust that at the end of next year we may have to chronicle the signal failure of this attempt to excite against each other

the susceptibilities of two nations which have long ceased to be divided, and the consent of Scotland to leave her grievances to be remedied by Parliament, without an appeal to obsolete prejudices and bygone animosities.

There is no doubt that much of the stability which has been observed in our Money-Market, our commerce, and our manufactures, notwithstanding so many causes of panic and so many positive drawbacks and hindrances, is to be attributed to the unprecedentedly rapid creation of capital in our Australian Colonies, and a consequent demand for exports and for investments. A steady flight of emigration to these prosperous countries has relieved our poor-rates and improved the condition of the working classes, by thinning the ranks of competitors for employment and increasing the demand for the productions of their labour. Had the money squandered in "strikes" been devoted to emigration, the operatives might have been in a better condition to reckon with their masters, and would have conferred a great benefit on many of their number, instead of injuring everybody and doing good to no one, except their delegates and agitators. But, in the midst of this colonial prosperity there are also many deductions. The ill-timed rigour, and still more ill-timed lenity of the Governor of Port Phillip, together with the total neglect to provide the only means for enforcing order and obedience to the law amid a turbulent and mixed multitude of miners, have led to a disgraceful and pusillanimous surrender of the rights of the public, and an abandonment of their treasures to any one who chooses to possess himself of them. The negligence and blundering of the Colonial Office have left these colonies with institutions so crude and ill formed that they seem neither able to continue as they are, nor to work out the problem of their own regeneration. This year will be

memorable for having finally set at rest the problem of the North-West Passage—a result far more valuable for the cessation which it promises of ill-advised, expensive, and hazardous expeditions, than for any increase of knowledge which it brings us. Indeed, the worthlessness of the result can only be fully appreciated now that it has been successfully arrived at.

But that which at this moment rivets the attention of all men, and will probably give this year a melancholy prominence in history, is, that it is the thirty-eighth, and, only too probably, the last year, of the great Peace which followed the revolutionary wars that ushered in this century. Little, indeed, could any one foresee a year ago the presence of those elements of discord and confusion which seem ready to overwhelm the hopes of peace and the extension of civilization. A year ago the Emperor of RUSSIA enjoyed among the Powers of Europe a well-earned character for honesty, straightforwardness, and moderation. Who could have supposed that within a few months all this could have been so utterly forgotten, and every consideration of honour and justice sacrificed to an empty and profitless ambition? With vast domains to civilize and reclaim, with a boundless field for the exercise of enlightened benevolence, and a prospect of power and pre-eminence by developing the arts of peace over Europe and Asia, far more certain and far more glorious than any military triumph, this mighty potentate has deliberately turned from good to evil, and preferred the acquisition, by fraud and violence, of two or three desolated provinces to the welfare and advancement of the sixth part of the inhabited globe over which he reigns. From the provocation which Prince MENSCHIKOFF was instructed to throw out, under the mask of an Ambassador, to the late murderous attack upon Sinope, the policy of the CZAR has been one and

uniform. To bully the weak, to cajole the strong, to seize by force, or to circumvent by fraud, are now recognized as the uniform tactics of the once great upholder of order and treaties and arbiter of the disputes of Europe. The combined Governments of England and France have exhausted their diplomacy, their remonstrances, and their patience, and they now see themselves apparently reduced to the alternative of quitting forever their high station among the nations of the earth, forfeiting their promises, and abandoning their allies, or having recourse to war,—the sport of barbarous sovereigns, but the dread of free and progressive Governments. This is no alternative—it is a decision. With whatever reluctance, the Western Powers must accept the challenge so insultingly flung to them. It has been greatly to the credit of our people that, under circumstances of no small irritation, they have borne from embarrassing the course of negotiation by an indiscreet exercise of their right of public meeting, and have thus left diplomacy every opportunity for averting the scourge with which we are threatened. Equally meritorious has been their forbearance from expressing a natural anxiety for Peace, and an impatience of further taxation, at a time when such sentiments could only weaken the effect of our remonstrances and impair the confidence of our allies. The people of England have shown that they are not only temperate, but magnanimous, and capable of adopting in their collective capacity, when required by circumstances, the same prudent reserve and wise forbearance which are continually required from individual statesmen. We trust that in the coming struggle, which all our efforts seem powerless to avert, and which, though begun on the banks of the Danube, may spread from the Baltic to the Caspian, from the Caspian to the Ganges, and from the Ganges to the shores of the North Pacific, they may show a

like firmness and constancy. We have not sought war, we have done all in our power to avoid it ; but, if it must come, we trust its evils and sacrifices will be cheerfully borne, as we are sure its perils will be manfully confronted. We have enjoyed Peace long enough to value it above all things except our honour, but not long enough to enervate our energies or chill the courage which has carried us through so many apparently unequal conflicts. The dawn of 1854 lowers dark with the presage of impending battle. We hope for a less troubled prospect on the last day of the coming year.

1854.

The curtain falls on another year—a year of strange changes and vicissitudes, of hope and exultation, of anxiety and despondency—a year which has at once covered us with glory and overwhelmed us with discredit, and through the checkered annals of which we seek in vain for any clear and distinctive mark of the future which is impending over us. The year found us at peace, and leaves us at war ; it found us with a powerful Ministry, and leaves us with one whose influence is weakened and whose *prestige* is at an end. The year has overturned our faith in many things, shaken many convictions, and dissipated many illusions. Yet still we part from it not without regret, as from a sincere and plain-spoken friend, whose words may often wound our self-love and mortify our vanity, but from whom we never sever without a feeling that his harshness is instructive and his exposure of our faults and errors just and salutary.

In January of this year the hope of peace had become very faint. The massacre of Sinope had destroyed all confidence in the assurances of the

CZAR, and the only chance remaining was that he would return a favourable answer to the last summons of the Western Powers. The probability of such an answer was very much diminished by the ignominious repulse which his army sustained at the battle of Citate, and by the entrance of the allied fleets into the Black Sea—an act of scarcely disguised hostility. Under these circumstances Parliament met, and it soon became evident that the voice of the nation, through its representatives, was unanimously pronounced for war. The publication of the secret despatches, which revealed in the most odious light the selfish and grasping policy of Russia, inflamed this feeling, and the only difficulty which Ministers had was to justify themselves for not having sooner taken the course which all men now admitted to be inevitable. Of the merits of this controversy little need be said here. According to the feeling with which they regard the present Government, men are disposed to think the EMPEROR would or would not have been induced to comply with our demands had a more warlike tone been earlier adopted. We have no *data* for this speculation, and must leave it to professed partisans to pursue it. Enough for us, who now know more fully than we did last year what manner of thing war is and what calamities follow in its train, that our Ministers cannot be accused by any reasonable person of having been rash or over-eager in its pursuit.

At the close of the last Session we reviewed fully and in detail the proceedings of that most abortive and inadequate expenditure of labour and ability, and showed how Ministers, by insisting upon forcing measures on the attention of an unwilling House, exposed themselves to a series of mortifying and damaging defeats. In the position in which we now find ourselves we are better able to judge than at the commencement of the war of the absurdity

involved in the attempt to reform our representative system, to remodel our Parliamentary oaths, to alter the principle of selection for the civil service, to change the law of removal and settlement, and to reform the manner of trying disputed elections in the face of an actually existing war. The QUEEN'S Speech of February announced these and many other measures ; that of December merely contented itself with averring that something ought to be done for the cause of domestic improvement, even while the war was proceeding, and in this modified language we recognize the consciousness of our Ministers that they erred gravely when they sought to fix attention on matters neither naval, nor military, nor diplomatic. Among the results actually achieved in the first Session of this year, beyond the declaration of war with Russia on the 27th of March, we may notice the Oxford University Bill—a measure which, though falling far short of the wishes and reasonable demands of University Liberals, has yet swept away a dull and incompetent oligarchy, and replaced it by a representative council composed of men of mark and talent ; has given to each College the largest powers of self-improvement, and established a Commission which can, if it will, enforce the adoption, on a uniform system, of sound and liberal views. The consolidation of the mercantile laws into one Act is a measure of great, though unpretending utility ; and the abolition of the usury laws seems to remove one of the last traces of the commercial notions of the middle ages, and, if not very important in itself, to relieve our legislation from the charge of carelessness and inconsistency. The most valuable principle, probably, which the late Session has established is that of freedom of association,—of the right of men to combine together for the purposes of trade or adventure under such conditions and liabilities as they please, provided those conditions and liabilities

be fairly made known to the public. The system of granting charters by the Board of Trade has become absolutely unworkable, and the necessity of legislation on the subject is urgent. The principle of that legislation has been settled beforehand, and we hope and believe that the coming Session will not pass away without bringing the question to a final settlement.

The subsequent events of the year seem sufficiently to show that the public time would have been far better employed in a searching inquiry into the working of our war departments, in considering how the military administration of the country could be carried on with most speed and most simplicity, and how the recent discoveries and applications of science could be most readily and effectually introduced, than in forcing on an unwilling Legislature the consideration of organic changes, and salutary, though not pressing, improvements. The only step in this direction was the establishment of a War Minister, and this measure, so far as it has already gone, has by no means answered the expectations of its promoters. The divided authority still continues ; the Horse Guards maintain their *quasi* independence of the Secretary of State, and the Ordnance is not reduced, as it should be, to a department entirely under his control. The engine is theoretically defective, and practice has been as little satisfactory as theory. The nation is still at a loss on whom to fix the responsibility of numerous and mortifying failures and neglects, and may possibly commit an irreparable injustice in blaming one public man for the acts of another. The war has only existed for eight months, and in the course of that time has extended over countries far distant from each other, and been checkered by many alternations of fortune. To the achievements of the Baltic fleet the country is, perhaps, better disposed to do more justice since it has become

acquainted with the result of the operations in the Euxine. The shutting up of the Russian navy in their harbours, the stoppage of their trade by sea, and the capture of a large number of merchant ships, have been effected without loss, though not without difficulty, in a stormy and intricate sea ; and the fall of Bomarsund, though no very difficult achievement, destroyed the beginning of a fortress destined to overawe the Baltic and impose the will of the EMPEROR on the Courts of the North of Europe. At Petropaulovski we met with a repulse, caused in part by the lamentable incident which preceded the attack, partly by the treachery of our guide, and partly by the inherent difficulties of the enterprise ; and the year closes not without apprehension as to the manner in which the ships which we failed to capture may at the present time be employed.

But these attacks on the extreme west and east of Russia sink into insignificance compared with the scenes which have been enacted on the coasts of the Black Sea. The Russians, despairing of forcing the lines of Kalafat, evacuated Wallachia, and drew together their forces for the purpose of besieging Silistria. Before an outwork of this fortress many thousand Russians perished, without being able to make any impression on its defenders, sustained and instructed by the knowledge and gallantry of two British officers, and the tide of war, after having advanced to this point, rolled backwards across the Danube. Meanwhile we had bombarded Odessa, in return for an insult offered to our flag of truce, but had, with an incomprehensible lenity, desisted, after inflicting serious injury on the place, and left it to become a depôt and place of arms for the troops now contending against us in the Crimea. The first employment of our troops on arriving in the East was to fortify Gallipoli, and throw up works, as if the Russians had already forced the Balkan, and

nothing were left to the Allies but to defend the last promontory of the Turkish empire. From Gallipoli our troops were moved to Varna, where they were encamped in a position pleasing to the eye, but which a little inquiry would have shown to be notoriously pestilential. After spending the summer on this unhealthy coast, which cost us a melancholy list of brave soldiers, the army embarked for the Crimea, and, by an exploit second to none in the annals of military and naval adventure, was carried to its shore in a state of the utmost security and efficiency, and landed without loss, and almost without confusion. It were mere waste of space to redescribe events the memory of which is already riveted in the public mind—the advance on the Alma, the indecisive skirmish of the 19th, the glorious victory of the 20th of September, purchased by the lives of so many brave men, the march to Balaklava, and the commencement of the siege. Up to the 17th of October, when we opened fire, all appeared to have gone prosperously. Some regret or doubt might be felt as to the policy of allowing the enemy to throw up, undisturbed, strong earth-works in our front; but our engineers were confident that they would fall before the first efforts of our batteries, and civilians were disposed to acquiesce in tactics which promised a sure success without the effusion of blood. On that unhappy day the real nature of our enterprise disclosed itself. The French batteries were silenced in a few hours, and our own could barely maintain themselves against the overwhelming fire of the Russians; but, worse than all, our fleet failed in the attempt to silence Fort Constantine, and failed, apparently, because only a small part of the ships was brought up to the point from which alone their broadsides could hope to be effective. The battle of the 25th of October followed, in which our Light Cavalry were sent to destruction, foreseen and foreknown, by some

incomprehensible mistake of orders, and in which it was shown that the Turks who accompanied us to the Crimea were of a very different stamp from the defenders of Kalafat and Silistria. Then came the memorable Battle of Inkermann, with its surprise, so little honourable to our General and the officers of his Staff; its combats, so glorious to our soldiers; and its results, so fatal to the enemy and so melancholy to us. The wind and waves soon entered into rivalry with the rage of man, for a hurricane unexampled even on that stormy coast swept over the allied fleet, and engulfed men, ships, stores, and treasures, of a number and amount hardly paralleled in the annals of disaster. From that time the army has been suffering, in patience and in silence, the most fatal and unnecessary misery. While the weather was fine no attempt was made to connect the camp with the shipping by a road, and the result has been that stores and comforts landed at Balaklava are as much out of the reach of our soldiers, as if they were still on the banks of the Thames. Within eight miles of them are clothes, food, materials for house-building, fuel, and many other comforts; but the soldiers have been in rags, have been placed on half rations, have been reduced to burrow in the ground for shelter, and driven to the utmost extremity to obtain firewood from a surface of land saturated with rain. There have been guns and ammunition in abundance at Balaklava, while the siege has been interrupted for want of guns and ammunition. The soldiers have now been for three months in the same position; their baggage is within eight miles of them, but they cannot receive it, and in this position the last news of the old year leaves an army victorious wherever it has met the enemy, not worn down by long marching or separated from its base of operations, but concentrated on a single point close to its supplies, and pro-

vided for out of the richest storehouse in the world.

We will still hope everything from our men and our gallant allies, but the result undoubtedly is that under the pressure of the present war our military departments, with the single exception of the Commissariat, have completely broken down. There is no system, no forethought, no contrivance. The medical department has been ill supplied with all the materials necessary for its efficiency. Whatever has been sent out has uniformly been in the wrong place, and it seems to be nobody's business to regulate the destination and distribution of the stores. A few waggons to replace the wretched arabas of the country would have saved incalculable suffering and loss, but they were not sent, and a railroad is now projected, which will probably be begun just at the time when the road, which should have been made so long ago, shall have been completed. There is little use in wasting time in endless accusations and recriminations. The first duty of the nation is to see that the want of system, from which so many evils have flowed, is effectually corrected, and to bring the efficiency of its military departments up to a level with the management of private enterprises.

The cholera, which has again visited us with much severity, has, we are happy to say, departed, and we trust that evil may be brought out of good if the certainty of the recurrence of this scourge at short intervals shall at length diffuse throughout the country that sincere desire for sanitary improvement which alone can permanently arrest the ravages of disease and pestilence. The Session of Parliament which recently commenced has produced two measures—the Militia and Foreign Enlistment Bills—of which all we can say is that we trust they will be found to increase our resources for war without checking the patriotic ardour of the nation. The year terminates appropriately with the firm

and dignified speech of the Emperor NAPOLEON to his Legislature, which affords at once a gratifying proof of the union between England and France, and of the determination of our ally to carry on the war in a spirit worthy of its magnitude. After all, even in this year, we have done much. We have placed the rights of neutrals on a firm and equitable basis, we have swept the Russians from the sea and defeated them in two great battles by land, we have ascertained many things in the modern art of war which at the beginning of the year were unknown, we have raised our military character still higher in the estimation of the world, and we have secured the alliance of France, with whose aid we may well believe ourselves to be invincible. Dark as are the clouds immediately over head, the horizon is bright with the presage of glory and success.

1855.

Dark, indeed, and discouraging were the prospects of the nation at the beginning of the year which we have just concluded. We had been nine months at war. We had entered upon the struggle full of the glorious memories of the last five years of our late contest with France, and in deep forgetfulness of the long course of mistakes and disasters which preceded them. We had won two great battles, but generalship had nothing to do with them, for in the first we walked directly into the snare which had been prepared for us, and in the second we laid open the most vulnerable point of our army, so as to offer to our enemy an irresistible temptation to an all but irresistible attack. Together with misgivings as to generalship, we were just beginning to entertain other doubts. Together with the letters of our correspondent, thick and fast came the news of that neglect, disorder, and incapacity under

which our army was perishing before we, and possibly before its own General, were truly apprised of its danger. Day by day the truth became better known, till towards the end of the dreary month of January we awoke to the conviction that our men were overtaken from want of calculation, and underfed from want of foresight—that Balaklava was a cemetery and Scutari a pesthouse. The nation was fearfully excited, and in the midst of that excitement Parliament reassembled. Notice was given of a committee of investigation, and as soon as that notice was given Lord JOHN RUSSELL fled from the impending storm, leaving his colleagues to shift for themselves as best they could. The motion was carried, and brought with it the first great event of the year—the dissolution of the Coalition Ministry, just two years after its completion. Looking at it with the knowledge we have since gained of its constituent parts, we can only wonder how it came to pass that it lasted so long. With the leadership of the House of Commons in the hands of a statesman so slightly united to his colleagues, with so strong a Peace Party engaged in carrying on the war, its destruction at no distant period could not have been doubtful. We need not here recapitulate the unsuccessful attempts of Lord DERBY and Lord JOHN RUSSELL to form a Government, or how the task of filling up the offices of State was at last accomplished by Lord PALMERSTON, in whom the nation, guided by an unerring instinct, reposed its confidence at a time when no one seemed left to confide in. The first two months of the year wore away in England in this protracted Ministerial crisis, and in the Crimea witnessed the destruction of those old and well-disciplined troops whose loss we are now striving to replace. The first days of March startled Europe by the intelligence that the cause and moving spirit of the sanguinary contest then about to recommence was

no more. His spirit stung to the quick by the reverses that had tarnished the glories of his arms, his mind shattered by the conflict of pride and shame, selfwill and despair, his gigantic frame enfeebled by incessant application and imprudent exposure to the cold of a Polar winter, the Emperor NICHOLAS sank under the news of the repulse of his attack upon Eupatoria, and the seventh part of the globe received a new master. Thirty years of prosperity had been effaced by a single year of adversity, and the most powerful and successful Prince of his age died of a broken heart. The first impression that this event produced on the public mind was an expectation of peace, founded on the milder and less ambitious character of the Emperor ALEXANDER ; the second was a conviction that peace was farther off than ever. Concessions that an old and successful Sovereign might have ventured to make could not be offered without peril by his successor, and it was, therefore, without surprise that Europe found the new CZAR pledging himself to walk in the steps of PETER, of CATHERINE, and of NICHOLAS. The sincerity of these professions was speedily put to the test. At the end of the month of March a Congress assembled at Vienna to deliberate on the four bases of negotiation, already accepted by Russia, when it soon appeared that, although Russia had promised to put an end to her supremacy in the Black Sea, nothing was further from her intention than to put that promise into execution. It was at this Congress that Lord JOHN RUSSELL, who had rejoined the colleagues he had deserted, and accepted the office of envoy to Vienna as well as that of Secretary of State for the Colonies, gave a favourable ear to propositions made by Austria which were not within the scope of his powers, which had not been assented to by Russia, and which assuredly would not have been assented to by the Government or people whose envoy he

was. The negotiation was not persisted in on this basis, and in an unhappy moment for his own reputation Lord JOHN RUSSELL, in addressing the House of Commons on the subject of his mission, suppressed all notice of the terms to which he had been willing to accede. Detection and exposure followed, and Lord JOHN RUSSELL was driven from an office, which he had not held six months, by the almost unanimous reprobation of his former friends and supporters.

In the meanwhile the war in the Crimea had recommenced in good earnest. A bombardment took place in April, without producing sufficient effect to warrant an assault; the besieged in their turn became besiegers, and instead of retiring from our fire, threw up fresh works, which brought them continually nearer to our lines. When the House of Commons adjourned for the Whitsuntide recess, in the middle of a debate on the war, nothing could be more gloomy than our prospects, but during that brief recess news arrived which greatly altered the aspect of affairs. The Allies had forced the Straits of Yenikale, taken Kertch, and spread terror and devastation along the coasts of the Sea of Azoff, destroying enormous stores of corn, of fish, and of hay. Possibly this success, considerable enough in itself, was at the time overrated. At any rate, it came to this country like the first beam of dawning day. Its effect on the House of Commons was manifest and immediate. The great debate on the war terminated prosperously for Ministers, and the authority of Lord PALMERSTON'S Government was from that moment firmly established. The capture of the Mamelon and the Rifle Pits on the 7th of June followed, and the nation began to believe that it was about to reap the fruit of all its labours and all its sacrifices, when the disastrous repulse of the 18th of June followed, and was almost immediately succeeded by the unexpected death of Lord RAGLAN.

However little there might be in his career of the shining talents of a General or the providence and foresight of a great administrator, the country felt that he had worthily closed in her service a life which he had always been ready to lay down on the field of battle, and that his errors and disasters were to be attributed rather to those who sent him to fulfil duties for which neither his time of life nor his previous experience fitted him than to any faults which could be properly called his own. The regret for Lord RAGLAN was increased by the choice of his successor, to whose lamentable incompetence we owe regrets that poison the joy of triumph, and force us to regard a most substantial victory with little more complacency than a decided reverse. Still the siege advanced, the French drove their approaches every day nearer and nearer to the walls, and the English made some progress, but not such as enabled them on the 8th of September to shorten by a single yard the distance that divided them from the Redan. The fire became every day more terrible and more effective, and had destroyed, one by one, KORNILEFF, ISTOMINE, and NACHIMOFF, the victors, or rather executioners, of Sinope. The Russian commander saw that the place he had so obstinately defended would in a short time be no longer tenable, and began, with admirable coolness and forethought, to prepare a bridge for the evacuation which he saw impending. Yet before the city bowed to its fate he determined to make one desperate effort for its relief, and attacked the French and Sardinian lines on the banks of the Tchernaya in great force and with the most determined resolution. The signal repulse of that attack left him no other choice but to await his fate; nor was he destined to await it long. On the 8th of September, after a furious bombardment of three days, the Allies assaulted the town in five places, and, though repulsed in four, the assault of the French attack on

the Malakhoff completely succeeded. The Russians withdrew across the bridge, leaving their wounded, the town, their stores, and their artillery in the hands of the Allies. The victory was great and signal; it saved the honour of the Allies, it destroyed the Russian fleet, materially reduced the force and cowed the spirit of the Russian armies, and produced a moral effect all over the world of which we can hardly yet estimate the results. Nor was it bought at a higher price than we must expect to pay for such successes over a brave and resolute foe. But Englishmen felt, and felt justly, that by leaving to them the attack of the Redan, to be made from the very same trench as the unsuccessful assault of the 18th of June, and giving to the French exclusively the attack on the Malakhoff, which was within 15 yards of their trenches, they were deprived of the glory, while compelled to share heavily the loss, of the day. It would have been only reasonable that the chances of success and of failure should have been impartially divided among the Allies, and not that the one should have been sent to a highly probable success, the other to almost certain repulse and defeat.

On the 29th of this same month of September the Russians sustained before the walls of Kars the most sanguinary defeat that has been inflicted on them in a war which, until the 28th of November, was nothing but a succession of disasters. Bent upon retrieving the credit of the Russian arms, General MOURAVIEFF ventured a premature attack upon the half-starved garrison of Kars, which ended in total defeat and inspired the besieged with an unfounded, though not unreasonable, hope of deliverance. Doubtless, they thought that a vast army, just delivered from the drudgery of the trenches, occupying an impregnable position, and confronting a beaten and dispirited enemy, might have spared something from its overwhelming force

for the relief of men who had fought as bravely and as successfully as themselves. They could not believe, till taught by bitter experience, that Ministers, Generals, and Ambassadors, with men, with transports, with stores at their disposal in boundless profusion, could leave a whole army and its victorious Generals to beg their lives from an enemy who had starved those he could not conquer. But it was even so, and on the 28th of November Kars surrendered and the Turkish army of Anatolia ceased to exist.

The occupation of Kinburn and the bombardment of Sweaborg make up the brief catalogue of naval successes for the year, and the perfidious attack on the crew of the Cossack at Hango is almost the only other naval event worth chronicling, except the sudden and unexpected death of Captain Lyons at the moment when the distinctions he had obtained pointed him out as one on whom the fairest hopes of the country rested. The land operations closed with the fall of Sebastopol, and the allied Generals, plunged in an inexplicable lethargy, suffered the Russians to recover from the tremendous blow they had received, and to assume an attitude more menacing than that which they had ventured to assume while Sebastopol was yet standing. The diversion attempted by OMAR PASHA at the foot of the Caucasus, and the blundering operations of Admiral STIRLING in the North Pacific, complete the military events of the year.

We have accomplished much, yet not so much as seemed at one time to be within our power, and the war has failed as yet to give us that great General whom we still hope to find, as we found one in our utmost need in the last war. A deep distrust of our military system has taken possession of all minds, and although the inherent difficulties of the investigation, together with a striking want of skill and method in those who conducted it,

rendered the researches of the Sebastopol Committee far less full and satisfactory than the nation had expected, a feeling is abroad which will never be satisfied until the soldier be treated with the same liberality and fairness as other servants of the public. The absence of a military education among our officers, and their inferiority, as a class, to those of the semi-barbarous Power to which we are opposed, are painful and humiliating to a nation not wont to yield to any foreign competitor, and the invidious privileges attached to wealth, to birth, and to interest, which have recently been so publicly and so injudiciously paraded, are assuredly not destined long to survive the general condemnation of the people. The Administrative Reform Association sought to place itself at the head of a movement which should give effect to these sentiments, but partly from the unwillingness of the nation to embarrass our Government in time of war by a course of domestic agitation, and partly from the extreme indiscretion of some of its members in the House of Commons, it fell into premature decay. The excitement of men's minds has, however, not been wholly without its fruit, and the year will be remembered as the first in which the principle of ascertaining the fitness of candidates for public office by examination was fairly tested. The medicine has produced an effect far more violent than was anticipated. Instead of securing a better class of candidates, the examination has proved that it is almost impossible for the present corrupt system of patronage and the most leniently applied test of qualification to co-exist, and that we must either go back to the practice of nominating persons, however incapable, or forward to free and unrestricted competition.

The year has been rendered memorable by the visits of the Emperor of the FRENCH and the King of SARDINIA to London, and the expedition of Queen VICTORIA to Paris. In these events we

trust that we see the best security for the sacrifice of ancient antipathies and for the firm resolution of England and France to dwell together, as befits neighbouring States, in harmony, and to protect, by their joint action, the cause of justice and enlightenment wherever it may be endangered. Of our own domestic affairs we have, fortunately, little to say. The metropolis was disgraced by a series of riots more discreditable to the police authorities than to the miserable urchins who took the lead in them, and London has, for the first time, received a system of self-government worthy, it may be hoped, of the wealth and intelligence of the vast community for the first time trusted with the management of its own affairs.

In taking a general survey of a year which has added £16,000,000 to our National Debt and exposed our troops to two bloody repulses, we cannot speak with unmixed pleasure, but it were unthankful not to admit that the good far exceeds the evil. Whatever be the losses and disappointments we have undergone, whatever the reverses of our arms, whatever the drains upon our Treasury, these evils have been as nothing compared with the tremendous visitation that has fallen on our stubborn and overbearing enemy. While our trade has undergone no diminution, hers is almost completely annihilated. If we have felt a little tightness in the money market, she has been driven to suspend specie payments. If we have increased our debt by £16,000,000, she would esteem it the greatest good fortune to borrow half that sum on the most unfavourable terms. If we have lost a few thousand men, she has sacrificed whole hecatombs of thousands. If we do not recruit as fast as we would wish, Russia has already drained the classes of men from which she can renew her armies. Despondency and terror, we are well assured, reign throughout her vast dominions : the present is grievous and the

future terrible, and all the efforts of fanaticism and all the traditions of loyalty cannot prevent the war from becoming as unpopular as it is unjust. In England there is nothing more cheering than the manly and noble spirit of the people. There have not been wanting those who strove to persuade the masses that their blood and their treasure were being sacrificed for no adequate object, and that any concessions were better than perseverance in a war so unjust and so unprofitable. But the clear instinct of Englishmen enabled them to see and feel that there was more at stake in the matter than their blind guides chose to admit, and to adhere to the cause they had taken up with a steadiness and pertinacity which put to shame the vacillating counsellors who first involved us in war, and then told us that it was vain to contend with the manifest destiny that urged Russia on to the conquest of the East. On that spirit we unhesitatingly rely, convinced from the successes we have already obtained, the augmented resources which we possess, and the unswerving resolution of a unanimous nation, that we have only to go on in the same career in order to terminate the war with the success which the justice of our cause and the purity of our motives deserve.

1856.

The year which closes to-day has not been one of those marvellous periods which stand out high and rugged from the surface of history and become the landmarks of the student in ages to come. It is rather a bend in the ever-winding stream of time, which, while our attention has been fixed upon the events of the hour, has brought us almost unconsciously into an utterly different state of affairs. Every traveller in a mountainous country may re-

member some day when, after spending early dawn in the snow and on the crag, and then passing in rapid transition steep descents, thundering cataracts, gloomy gorges, winding valleys, sunny lakes, and wall-girt cities, he towards sunset finds himself in a landscape that he might have expected in his own familiar country. But for the shadowy but still giant forms in the distant horizon he might forget that his eyes were still weak from the glacier, that the torrent was still roaring in his brain, his foot still sore, but his spirit still pitched mountain high, dreaming only of fresh passes, dizzier precipices and more perilous footing. Where were we all on the morning of this year? Still keeping keen wintry watch on the Crimea; not hopeless of peace, but preparing for war; executing the stern decree of PROVIDENCE on the great stronghold of a mighty Empire, levelling its docks and seaward forts, exchanging angry menaces with the foe on the north side, and bringing home the trophies of the capture. At that time, while the Western Powers, with Turkey and even Austria, were preparing for either alternative, Prussia stood aloof, as having no concern in the general interests of humanity and the maintenance of liberty and justice between the nations of Europe. It was our boast that England had never seen so fine an army, or one in all respects so well found and in such discipline, as that which formed the vanguard of European freedom on the heights of Sebastopol. Elsewhere the political atmosphere was generally quiet, with the single exception that something, a trifle or two seen through an electioneering medium, had ruffled our sensitive neighbour across the Atlantic; and at the very time when our quarrel with the CZAR was passing from the sword to the tongue our diplomatists were expected to have spare time for misunderstandings upon matters not only unappreciated, but even utterly unknown to the mass of the British

public. Such was our state a twelvemonth ago, and it was one that made us for the time a nation of warriors, and ready to bear any burdens or run any risk for the national honour.

Without any very great event, without anything much out of calculation, we find ourselves at the close of the year in an entirely new scene, surrounded by new objects, and with only a few fast fading links between that landscape and this. That great war is over. Hard terms have been wrung from the exhaustion of Russia, and after much subsequent wrangling she has been held to the letter and spirit of her bond. We have celebrated that peace with great and cordial rejoicing. Prussia was admitted at the eleventh hour to a share in its honours. Our fleets and armies have returned, and have had their ovations. But for the Income Tax and some foolish frets kept up by a testy Admiral and some jealous soldiers, we might almost have forgotten by this time the neglects and mishaps of the war. A young and active COMMANDER-IN-CHIEF has been putting his house in order for the next emergency. The United States sent home our Minister, and, as we did not resent the slight, have sent as a peace offering to Queen VICTORIA one of her own ships, found adrift without its crew. We have now settled all our late differences, and are, as we hope always to be, on the best of terms with our thriving cousins. But as fast as these wounds have healed others have broken out, and before we have finished our celebration of peace we are at war. We have withdrawn our Minister from the Absolutist Court of Naples. A British expedition has sailed against Persia, and British diplomacy is once more at work in the fatal passes of Afghanistan. At the same moment a British Admiral has bombarded one of the capitals of China. Thus we find ourselves at war with the East and the West of Asia, with every part of which we have now been at

war within these two or three years. Certainly such a result is so far from natural that one suspects it might have been avoided, for if we quarrel with every State in the world it is a moderate presumption that we may, perhaps, be sometimes in the wrong. However, we have Prussia to keep us in countenance. Slow as she was to fight for the liberty and independence of Europe, she is preparing for war with the Swiss mountaineers in behalf of a barren and obsolete title, which for years she had not the face to assert, and the peace of Europe is now threatened, not by lust of dominion, but by an antiquarian curiosity.

In this year, whether of war or of peace, the new Emperor of ALL the RUSSIAS has been crowned with a pomp which threatens to be the last of its kind, and youthful representatives of our nobility have been exhibiting to the assembled nations at Moscow the peaceful side of our national character. Across the Atlantic another form of a less dignified, but perhaps more important, character has this year been celebrated. The United States have elected a President who, by the good terms he established with the States not in his interest, has quietly settled for the present the great domestic question which threatens the Union. The cause of negro freedom never seemed at a lower ebb, and even the renewed efforts of genius in its behalf seem almost thrown away ; but the very history of the year that proved so unfavourable to it warns us not to expect the same uniform tenour of events. No one knows what a year may bring forth, and the only certainty is that no one year will be the counterpart of the last. Elsewhere, under the usual disadvantages, difficulties, and suspicion, peace has been doing its quiet work. Canada has opened her great line of railway between the Lakes and the Atlantic. The electric wire that is to join the New and Old World is already begun. Russia has been inviting Europe

to join with the iron road the extremities of her wide Empire. An era of peace and progress has been proclaimed for India, but only to be interrupted by a fresh blast of war. When, indeed, will Peace have the precedence of her fretful and capricious competitor? France, with the fresh security of an heir to the Imperial throne, is slowly recovering from her vast efforts. Spain, which has so small a place in European politics, has had a drama of her own. By the usual steps she has rapidly returned to an Absolutism as strong as circumstances and the age will endure. By way of setting an example, England, France, Russia, and even Austria, have been granting large amnesties and pardons for political offences, producing thereby much quiet content, but meeting with some noisy ingratitude.

At home the year has been one of beginnings more or less promising. The Metropolitan Board of Works has spent its first year in doing nothing, deciding nothing. A Depository of Art and a School of Design have been opened at Brompton, under the grimmest aspect that art ever wore. An Exhibition of Art Treasures has been commenced at Manchester. The national collections have been largely augmented by private liberality. A commission has been appointed to decide on the site for a National Gallery. Our public offices are doomed, and the whole world is invited to compete for their rebuilding, as well as for laying out the quarter in which they are placed. A magnificent college has been commenced in honour of the great warrior lately taken from us. By the side of these nobler doings and grander aims the English character has this year incurred some domestic stains, in the shape of huge defalcations, systematic embezzlements, colossal insolvencies, and frightful crimes. Banks have burst like bubbles, leaving nothing. Men. not of the lowest sort. have been poisoning

wives, mothers, brothers, friends, acquaintances, on all sides. We have had many sanguinary and hideous murders ; and the confidence of the public has been sadly shaken by the knowledge that the prison doors have been opened, and a population of thieves and ruffians has been let loose upon us, desperate of honest work, flushed with criminal triumph, and ingenious in new forms of plunder and outrage. We have had a more than usual number of fearful suicides, and, we may add, of ordinary disasters. Two theatres have been burnt down in this metropolis, one under singular and awful circumstances. The annual obituary includes, among other names of note, the Russian General PASKIEWITCH, Sir HENRY POTTINGER, Sir W. TEMPLE, and Sir JOHN JERVIS ; in the ranks of art and science it includes GUTHRIE, PARIS, Sir W. HAMILTON, BUCKLAND, YARRELL, Sir R. WESTMACOTT, and PAUL DELAROCHE ; in literature and the drama, A'BECKETT, BRAHAM, Madame VESTRIS, and CHARLES YOUNG. Besides these, others have passed so long from the public eye that their deaths are hardly noticed. Two Bishops have died ; two others have anticipated that usual termination of an episcopal career by a timely retirement. Such is the class of incidents to which the public interest has now quietly returned. The startling news from the East, indeed, breaks in rather rudely on the tenour of our own domestic gossip and homebred quarrels ; but one thing we have certainly all but forgotten, as if it had never been, and that is the war which was still convulsing and draining all Europe at the beginning of this year.

1857.

On the first day of a New Year it is natural to revert to what has befallen us during the progress of its predecessor ; to count our successes and

mistakes ; to reckon the friends we have made and the friends we have lost ; to consider, in short, what we were and what we are. The year 1857 will not soon be forgotten in England. The Indian Mutiny, of which the first tidings arrived at the beginning of summer, has overshadowed all the events and movements which had previously occupied general attention. It requires an effort to recall the financial discussions of twelve months ago. The China Debate, the Dissolution, and the meeting of the new Parliament have already become strangely remote. Only half the lifetime of an ordinary generation has elapsed since an ingenious historical writer announced that the age of history was at an end. It appeared, as in some geological epochs, that nature was no longer liable to violent convulsions. The long European peace was thought to be perpetual. Revolutionary agitation and military usurpation were equally things of the past. The appetite for political excitement was mildly stimulated by the turn of the balance as the MELBOURNE Ministry and the PEEL Opposition alternately seemed about to preponderate. Ten years have passed since the dream of security was broken by the Continental outbreak of 1848, followed by an equally unexpected despotic reaction. The Russian War revived another class of anxieties and sympathies ; but even the interest of the Crimean campaign was faint compared with the grief, the indignation, and the enthusiasm which have been called forth by the struggle in India.

Before the meeting of Parliament in February statesmen out of office were sanguine in their expectations of a change of Ministry. It was thought that Lord PALMERSTON owed his supremacy to the war, and that he would be unwilling to concede and unable to resist a vigorous demand for sweeping financial reductions. The Persian War might, perhaps, furnish a supplementary ground of attack,

and at the last moment the collision at Canton came as a godsend to an Opposition already organized. Veteran politicians generally anticipated the success of the Coalition ; but they underrated the adroitness of the Minister, and they forgot to take into consideration the disposition of the people. The combined leaders had, with scarcely an exception, advocated a timid policy during the war, and their animosity against Lord PALMERSTON was naturally attributed to jealousy of a triumph in which they had no share. In popular estimation the overthrow of the Government would have been regarded as a condemnation of the firmness with which the Treaty of Paris had lately been enforced in the matter of the Bessarabian frontier. The financial problem was solved, not without grave detriment to the public interests, by the abandonment of a large portion of the Estimates. The additional percentage on the Income Tax was given up, the war duties on tea and sugar were reduced, and Mr. GLADSTONE addressed to unwilling ears his indignant demonstration that the diminution of an extraordinary impost was an increase, and not a reduction.

The complaint that Parliament had not been consulted respecting the Persian War proved to be an ineffective weapon of attack. No section of politicians seriously desired to discuss during an autumnal Session measures which would have assuredly been adopted by any Minister who might have held the reins of Government. The Chinese dispute was more formidable, on account of the facility which it offered for a combination of all opposing sections of the House. Lord JOHN RUSSELL and Mr. GLADSTONE, Mr. DISRAELI and Mr. COBDEN, were enabled to meet together on common ground, and even to secure a majority, which proved fatal to the hopes of the Opposition. Lord PALMERSTON seized the opportunity of acquiring a firmer position

as the recognized leader of the Liberal party. No occasion could have suited him better for an appeal to the country ; his popularity was still fresh, while many of his opponents were discredited by their previous acts and by their recent hostility to the Government. The convictions of the majority on the Chinese question might, perhaps, be sincere, but it was known that an attack on the Ministry had been prepared before the disturbances at Canton were heard of. The constituencies thought more of Russia than of China, and Lord PALMERSTON had in the minds both of friends and of enemies been accepted as the representative of a national and successful policy. The general election accordingly resulted in an unbroken succession of Ministerial triumphs. Mr. COBDEN, Mr. BRIGHT, and Mr. MILNER GIBSON were temporarily excluded from Parliament. Lord JOHN RUSSELL himself only escaped a similar fate by a spirited display of personal vigour and ability. The entrance into public life of a hundred and fifty new members materially changed the composition of the House of Commons. Many party traditions became obsolete on the benches which were most assiduously frequented by untried politicians, and the Minister whose name had been the watchword during the contest at the hustings found himself for the first time surrounded by adherents who acknowledged no divided allegiance.

The Election proved that the old Conservative party is gradually disappearing. For the first time in twenty years the counties showed a disposition to encourage Liberal candidates. No previous contest had been altogether exempt from the influence of the old Corn Law controversy. Even in 1852 Free Trade was unpopular with the farmer, and Lord DERBY was still the champion of the agricultural interest. The unprecedented prosperity of recent years has dispelled many delusions, and the rural

intellect is too dull to appreciate the principles which combine Lord STANLEY and Sir J. PAKINGTON in the same party organization with Mr. NEWDEGATE and Mr. SPOONER. The Whig gentry are not backward in perceiving their opportunity, and at the next election they will probably recover the share of the county representation which they possessed down to the era of the Reform Bill. Their old opponents will never again as a party become candidates for office, but the strong Conservative element in English society will in some form always continue to exercise a powerful influence in politics.

That the Minister had projected the Dissolution for the purpose of wasting a year was an obvious taunt on the part of the Opposition, but the Session which commenced late in the Spring was by no means useless or barren. The blow against the Ecclesiastical Courts, which had long been menaced, was at last effectually dealt. The whole of their Testamentary Jurisdiction and the greater part of their control over the Law of Marriage were transferred to a secular tribunal; and there is reason to hope that executors and legatees will be relieved from a portion of the vexations to which they have been habitually subjected. The establishment of the new Court of Probate was not impeded by any formidable opposition; but the change in the Law of Divorce was debated in both Houses with extraordinary spirit and pertinacity. The social effect of the important measure which was finally carried can only be tested by experience, but the state of things which it has superseded formed a startling anomaly even in English jurisprudence. Henceforth divorces will be awarded on the proof of certain facts before a tribunal competent to conduct the whole inquiry. Before the passing of the Act the same remedy was obtainable by a process strictly technical, and yet in part unknown

to the law. Two independent legal decisions formed the indispensable condition of the final sentence, and yet the House of Lords declined to notice either the evidence in the action for damages or the depositions on which the Ecclesiastical judgment had been founded. Notwithstanding the ingenious objections which were urged against the Ministerial measure, Parliament rightly thought that the principle of divorce was already recognized, while the circuitous method of obtaining relief stood self-condemned. The vigour with which the Bill was carried through the House at the very close of the Session added to the credit which the Government had acquired by other useful efforts in legislation. The power of passing good measures is with justice valued above the utmost skill in devising and defending them.

The tidings which arrived from India in quick succession extinguished the languid interest which might otherwise have been felt in the affairs of the Continent. The previous year had closed with the final acquiescence of France and Russia in the English interpretation of the Treaty of Paris respecting the possession of Belgrad. Only one part of the Eastern question still remained open, and diplomatists accordingly selected the Danubian Principalities as the scene of a concluding struggle. Turkey and Austria felt a common interest in maintaining the actual separation of provinces which Russia might attempt to organize into a dependent kingdom. The Western Powers had little motive for preferring either arrangement ; but the representatives of France and of England at Constantinople were severally determined to carry out a policy of their own. The barren triumphs of either party and the final results of the conflict scarcely require or deserve recapitulation. The Plenipotentiaries of Paris had absurdly demanded the opinion of the inhabitants on the future organization of the pre-

vinces ; and the French Ambassador, with short-sighted eagerness, concentrated his efforts on the return of an Assembly favourable to the Union. When the Turkish Viceroy had procured an election conformable to the views of his Government all the Embassies except those of England and Austria broke off relations with the PORTE, and the crisis appeared so serious that the EMPEROR himself descended at Osborne to untie the knot by superior interposition. The English Government had more serious objects to pursue, and Austria probably foresaw the substantial success which would be purchased by a formal concession. The Moldavian election was annulled, and the Ambassadorial flags were rehoisted ; a new Divan was packed for an opposite purpose, and the Principalities declared their desire for union under a foreign Prince. But in the meantime the wrath of France had been appeased, and absolute Governments began to wonder that they should ever have appealed to the result of a popular vote. The second Congress of Paris is about to decide that Wallachia and Moldavia shall be satisfied with an administrative union not incompatible with their condition as feudal dependencies of Turkey. The course of foreign affairs has in other respects been singularly uneventful. The Sovereigns of France and Russia have held an interview at Stuttgardt, which is thought not to have increased their mutual regard. Another Imperial combination at Weimar displayed the cordiality which belongs to the intercourse of Monarchs born in the purple. The King of PRUSSIA, prevented by illness from joining in these courtly festivities, has probably terminated his active reign.

Our relations with America, though far more important, have affected domestic and not diplomatic interests. In the course of the summer it transpired that the railroads in the United States were

universally embarrassed by the disproportionate magnitude of their debenture debts. When the companies began to suspend payment of their obligations the overloaded fabric of commercial credit at once tottered and gave way. The Banks, which had satisfied the requirements of a certain school of economists by a nominally convertible issue, ceased to give gold in exchange for their notes. Mercantile firms of the highest reputation broke in rapid succession, and all remittances to foreign creditors were simultaneously suspended. The rhetorical statement that the subsequent crisis in England was caused by the bankruptcy of a nation is rather coloured than exaggerated. The annual balance of trade between the two countries leaves a debt due from England, but the cotton crop of the year has not yet been received, and American securities to a large amount are always held by English capitalists.

When the news of the catastrophe arrived it was hoped that a high rate of discount would prove a sufficient precaution against the consequences which were apprehended ; but on this side the Atlantic, as well as in the United States, an edifice of credit had been erected altogether disproportioned to the foundations on which it rested. Some great American houses yielded to an unavoidable pressure, but a large proportion of the firms which have failed had carried on their operations with the capital of their creditors. Whatever may be the case with ordinary traders, no honest and prudent banker can break. The delinquent establishments at Liverpool and at Glasgow were unable to meet their liabilities because the property of the depositors and shareholders had been squandered on reckless speculators. The scandalous proceedings which followed the stoppage of the Western Bank of Scotland will long be remembered. Auditors were found to certify the existence of a surplus of two millions, which has

since resolved itself into a large deficiency. The landed aristocracy of the neighbourhood joined in the protest against suspicion or investigation, and a deputation was appointed to solicit assistance from the public purse.

The Scotch failures coinciding with a temporary Irish panic produced a sudden demand for gold from London. On the 12th of November the Government, watching the alarming state of the Bank reserves, published the letter which suspended the legal limitation on the issue of notes. The result proved that the pressure was less imaginary than in the corresponding crisis of 1847. The Bank was compelled to take advantage of the licence which had been granted ; and, although the excess of notes was soon withdrawn from general circulation, it has continued nearly up to the present time to form an indispensable portion of the Bank reserve. In the short Session which was rendered necessary to sanction the suspension of the law Parliament represented with sufficient accuracy the undecided state of general opinion. The law will for the present remain unchanged, but it is felt that the power of Ministerial interference, which has now been exercised for the second time, can no longer be regarded as exceptional. The social and economical consequences of the crisis are more important than its legislative results. The influence of the calamity has already extended far beyond the circle of capitalists and traders. The winter will press heavily on the working population of the towns through the general suspension of enterprise and stagnation of employment. Agriculture alone, among the various branches of industry, continues in the enjoyment of a prosperity which is already unprecedented in its duration. After the Indian Mutiny no event of the year is so important as the commercial crisis. No domestic occurrence of less engrossing interest would have succeeded in arrest-

ing public attention during the continuance of the heroic struggle in the East.

It is scarcely surprising that on the first report of the Indian revolt the country was slow, in its incredulous surprise, to appreciate the magnitude of the disaster. Since the Sicilian Vespers no calamity has fallen on a nation with so little warning. On the 23d of June, six weeks after the decisive outbreak, the hundredth anniversary of the Battle of Plassey was celebrated with little misgiving at a public dinner in London. A few days later the subject was cursorily discussed in the House of Commons ; but July had commenced before the atrocities of Meerut and Delhi finally dissipated the prevailing apathy. In India itself, although the alarm commenced at an earlier period, the catastrophe was no less sudden and unforeseen. After the lapse of several months, with the aid of unlimited discussion, those who are best informed confess their inability to explain the causes of the revolt. It is probable that the conduct of the Sepoys was influenced by many motives, and that, like the greater part of human actions, it was ultimately decided by circumstances. There are suspicions of princely intrigues, strong indications of Mussulman conspiracy, and abundant proofs of Hindoo fanaticism ; but it is still uncertain whether the Mutiny was inevitable, and there is reason to believe that the plot exploded prematurely. One of the most characteristic features of the outbreak consisted in the blind submission of the soldiery to any casual impulse. Many regiments wavered ; some retained their allegiance for a time. In several instances the final defection was postponed until success had become virtually hopeless ; but throughout the army, as soon as a few ringleaders had committed themselves to the cause of rebellion, their comrades followed their example like a flock of sheep after their leader. It seems that no familiarity

can enable the European to understand all the windings of Asiatic character. The officers of the native regiments have not without plausible ground been accused of unreasonable credulity ; but, if those who knew the Bengal Sepoy best were willing to stake their lives on his loyalty, little reliance can be placed on the sagacity of remoter observers, who deliver their warnings after the event.

Among the immediate causes of the Mutiny it would be strange if no place could be assigned to the errors of those in power. Supineness, irresolution, and ill-timed severity were undoubtedly displayed on different occasions ; but it is still impossible to ascertain whether the very mistakes which were committed may not in some instances have diminished the impending danger. The first agitation with reference to the greased cartridges occurred during the month of January in the immediate neighbourhood of Calcutta. Early in February General HEARSEY reported the existence of a plot in the ranks of the 34th Regiment, stationed at Barrackpore, but the first open display of mutiny consisted in the refusal of the 19th, at Berhampore, to receive the suspected cartridges. The delinquent regiment was ordered for punishment to Barrackpore, where, before the sentence was executed, a Sepoy and a native officer of the 34th had been guilty of open violence. The scandalous backwardness of a commanding officer, more solicitous for the conversion of his men than for the discharge of his duty, would probably have led to an immediate outbreak but for the ready gallantry of General HEARSEY. Two days afterwards the 19th and 34th Regiments were publicly disbanded, and general orders were issued for the purpose of removing any genuine alarm which might have been felt as to the obnoxious cartridges. At a subsequent period the remainder of the native troops at Barrackpore were gradually disarmed

without any actual disaster. The GOVERNOR-GENERAL continued for many months to surround himself with his usual bodyguard of Mahomedan Cavalry, and the garrison of Dinapore, in defiance of repeated remonstrances, remained in possession of the means of offence. It must not be forgotten that at the last moment the disarmament of these troops could have been successfully effected if the commanding officer of the station had done his duty ; but the Government, which continued an incompetent General in command, was in some degree responsible for the mischief which has since resulted from the escape of the Dinapore mutineers.

The Commander-in-Chief, a holiday soldier, who had never seen service either in peace or war, was in the meantime enjoying the pleasant climate of Simla. A shameless job had some years before sent him at one step from TATTERSALL'S and Newmarket to the command of the army in one of the Presidencies, and when a vacancy occurred in the chief command of 300,000 men the authorities at home at once recognized the claims of family and personal acquaintance in the disposal of the post. General ANSON appears to have had no share in the disbandment of the Barrackpore regiments, and it was not till three months afterwards that the Adjutant-General publicly notified the withdrawal of the objectionable cartridges. The Commander-in-Chief had previously approved the sentence of a court-martial by which eighty-five men of the Meerut garrison had been condemned to hard labour for ten years on account of a refusal to receive the cartridges. The prisoners had been fettered in the presence of their comrades, and they were confined in the common gaol. This punishment was the immediate provocation to the decisive outbreak which occurred at Meerut on the 10th of May. If the crisis had been met with ordinary vigour and ability the Mutiny might have been

crushed at its commencement. The 3d Light Cavalry and the 11th and 20th Regiments of Infantry first began the series of murders and brutalities which have rendered the Bengal Sepoy infamous throughout the world. All the officers within reach were cut down, the helpless population of the cantonment were outraged or massacred, while General HEWITT, with 1,500 European troops, was unable either to protect the station or to impede the flight of the Mutineers. The revolted regiments at once marched to Delhi, where a great arsenal had been intrusted to the exclusive care of native troops. The garrison instantly joined the Mutineers ; the atrocities of Meerut were repeated, and the descendant of the MOGUL was openly proclaimed as King or Emperor of India. The pensioned Princes of the Royal House took an active part in the unspeakable brutalities which were perpetrated upon English women in the streets of the capital ; some of the miscreants have already suffered for their unpardonable crime, but the just vengeance of an indignant nation is still but partially satisfied.

On the 27th of May General ANSON died of cholera during his advance upon Delhi. Sir H. BARNARD, who took the command of the besieging force, afterwards fell a victim to the same disease. General REED was forced by bad health to resign the command, and the honour of capturing the rebellious capital was reserved for General WILSON. When the siege had scarcely commenced the Mutiny rapidly spread over the whole of Hindostan. By the end of June 50,000 men had deserted their standards and turned their arms against the Government. At many stations the crimes of Delhi were imitated, and in one fearful instance they were surpassed. NANA SAHIB, an adopted son of the ex-Peishwah of the Mahrattas, offered the services of his troops to protect the English

Treasury at Cawnpore, and then placed himself at the head of the Mutineers. Soon afterwards, in violation of his plighted faith, he slaughtered the garrison of Cawnpore, and on the victorious advance of HAVELOCK he murdered in cold blood the women and children who had been reserved from the original massacre. The treacherous Mahratta owes a reckoning for a thousand English lives deliberately sacrificed to his wanton barbarity. It seems that his crimes have only strengthened his hold on the armed hordes who acknowledge his command.

Similar scenes were exhibited on a smaller scale wherever Sepoy rebels could surprise a defenceless station ; but in this emergency the ruling race turned to bay with a desperate and irresistible courage which has scarcely a precedent in history. At Agra, at Arrah, at Azimghur, wherever a few soldiers and civilians had escaped the first massacre, the rebels were taught the inherent superiority of the English character. In many places a mutinous regiment was held in check by forces which, to the full knowledge of their officers, were themselves on the eve of revolt. At the worst, the rifle or the revolver secured preliminary vengeance before an Englishman succumbed to irresistible numbers ; but the resolute skill with which all resources for defence were made available confers still higher honour on the national character. The effect of the same qualities, long before exhibited by the statesmen and administrators of the Eastern Empire, was shown in the abstinence of the native Princes and population from participation in the revolt. If a pretended Peishwah had put himself at the head of the Mutineers, the two chief Mahratta Rajahs were faithful, notwithstanding the defection of their Contingents. Still more important was the fidelity of the NIZAM under the influence of his able Minister ; GHOLAB SINGH and JUNG BAHADOOR, of Nepaul, potentates from whom

Sir C. NAPIER apprehended imminent danger to our dominions, behaved with exemplary good faith. Beyond the walls of the Palace of Delhi and the limits of Oude no movement has yet taken place which can be described as a popular or dynastic rebellion.

The influence of wisdom, of justice, and of courage over men was most strikingly exhibited in the recently conquered Punjab. The key of the territory at Peshawur was in the hands of resolute soldiers, who knew that the greater part of their troops were on the eve of mutiny. COTTON, EDWARDES, and NICHOLSON were equal to the occasion. The forts were occupied with trustworthy troops, the suspected regiments were disarmed, criminals were blown from guns in the presence of thousands of their accomplices, guilty fugitives were seized by the neighbouring tribes, and bodies of the highlanders lately in arms against the British power were enrolled to take the place of the deserters. The chief authority in the Punjab was, happily, in the hands of a hero and a statesman. Sir JOHN LAWRENCE not only saved his own province from revolt, but made it a military basis for the operations against Delhi. Sikhs and Europeans were directed towards the East, while the Bengal regiments were disarmed; convoys of provisions and stores retraced the march of recent conquest. The gallant NICHOLSON left the scene of his early fame to find a glorious death at the gates of the conquered city. The vigilance of the Proconsul was afterwards indicated by the rapid recall of European troops as soon as they had performed the one indispensable service.

The capture of Delhi before the arrival of any reinforcement from home was a great military feat, and a solid political advantage. The rebel garrison, exclusive of the inhabitants, always outnumbered the besieging army, and they had the command of

an arsenal which, after several months' consumption, was still unexhausted. The General waited patiently until he was ready for the assault, and not a moment longer. Before the end of September the Mogul KING had ended his three months' reign in a prison, while the carcasses of his hateful offspring were, as in old Hebrew story, exposed in the gates of the city.

The interest of the struggle has become chiefly concentrated round Lucknow, where a few Europeans, encumbered with the care of women and children, have maintained themselves in a hostile city of 300,000 inhabitants against a beleaguering force estimated at 70,000 men. Sir HENRY LAWRENCE suppressed the first mutiny in Oude, but the recently annexed kingdom furnished abundant reinforcements to the Sepoys, who were themselves for the most part natives of the adjacent districts. From the death of the noble soldier who governed the territory till the middle of November the garrison had been subject to an almost unbroken blockade. The march of HAVELOCK to its relief gave occasion for the most brilliant series of exploits in the campaign, but the numbers of the enemy up to the time of Sir COLIN CAMPBELL'S arrival were too overwhelming to admit of complete success. The year closed with the report of the final triumph, which had been so long and so anxiously expected. The Commander-in-Chief commenced operations on the 13th of November, and his advance from the Alumbagh to the Lucknow Residency was uninterrupted by check or defeat. Such, however, was the strength of the defences and the resolution of the rebels, that it was only after five days of continuous fighting that Sir C. CAMPBELL was able to open communications with Sir J. OUTRAM. The victory may be considered as decisive of the struggle, but months may elapse before the hundred forts of Oude and the multitude of disbanded

soldiers finally acknowledge the irresistible power of the English Government. Nevertheless, after the capture of Delhi and the arrival of OUTRAM and HAVELOCK at Lucknow, all men felt that the tide had turned in our favour. The Government had maintained itself and reasserted its supremacy before the arrival of aid from England. The only reinforcements had been derived from Ceylon, from Mauritius, from the Cape, and from the China force, which was fortunately intercepted on its road. The narrative of the struggle is as yet necessarily incomplete, but there is every reason to hope that the more tragic portion of it is closed. The proved fidelity of the Bombay and Madras armies renders it possible to estimate the extent of the danger and to calculate its approaching termination.

The military operations in other parts of Asia have been unexpectedly useful in the great object of suppressing the Indian Mutiny. Sir J. OUTRAM's short campaign in Persia was terminated, after a few spirited skirmishes, by a treaty which effected the purposes of the war in the evacuation of Herat. Among the officers who returned from the expedition to take part in a more serious struggle General HAVELOCK is the most conspicuous. The troops who had served in Persia were seasoned by their recent campaign, while they had not been exposed to any serious loss. The presence of the China force in the Indian Seas was especially fortunate. The demand for reinforcements at Calcutta was obviously more urgent than the necessity for punishing the insolence of Canton. At a more convenient season the necessary operations in China will be resumed, and in the meantime the blockading squadron has kept the offending population from despising the resentment of England. The interval which has elapsed has served to remove all reasonable doubt of the necessity of enforcing redress.

Public opinion has not during the last twelvemonth become more tolerant of barbarian outrages. There is no reason to believe that the punishment of the provincial authorities will involve the cessation of intercourse with the remainder of the Chinese Empire.

The efforts of the Government at home, although at first dilatory, have not been unworthy of the magnitude of the crisis. Before the end of the year more than thirty thousand men, despatched since the commencement of the outbreak, will have landed in India. The reserves and reliefs necessary for so great an army have thus far been regularly organized and forwarded. A professional soldier has, as usual in time of war, been placed at the head of the army, and means have at last been adopted for making use of the direct route by the Isthmus of Suez. The country has been unanimous in the desire to support and to honour those who have so gallantly maintained the Empire which the arms and policy of their predecessors had won. No effeminate philanthropy stands in the way of a righteous resolution that the crimes of Delhi and of Cawnpore shall be avenged. The true meaning of punishment has suddenly become intelligible to the nation at large. Retribution has resumed in the general belief its inseparable connexion with guilt. The pious fortitude of suffering women, the deliberate valour of men left to their own resources, have called out all the heroic sympathies of a grave and thoughtful race. For the first time the public conscience is imbued with the faith, hitherto confined to statesmen and to students, that the dominion of England in India is just and beneficial to mankind. The same public conscience demands that Englishmen in India shall not appear ashamed of Christianity. The mistakes and ignorance which naturally prevail on questions relating to the East indicate the unaccustomed interest which is

universally felt in Indian affairs. There is some ground for the sanguine anticipations, which brought down censure on a Calcutta journalist, of the flourishing state of the Empire when posterity shall celebrate the second centenary of Plassey.

The corresponding year of the last century witnessed not only the conquest of Bengal, but the rise of England to the first rank among the nations of Europe. In the interval the population has multiplied threefold, while the wealth and power of the country have increased in a still larger proportion. Only the most prejudiced admirers of the past can deny the moral and social improvement of the community ; but there is, unfortunately, too much ground for satirical and prophetic denunciations of the present generation. A historian of the reign of GEORGE II., lamenting the prevalence of crime, observes that the KING's proclamation against vice and immorality was by order read in all churches, but that the measure failed to produce any beneficial effect. The same ceremony is still performed at Assizes and Quarter Sessions with precisely similar results. There appears to be no diminution in the crimes of violence recorded in our columns, and no previous generation has witnessed the commission of frauds on so gigantic a scale. Within the last month the conviction of a Hull merchant for forgery attracted comparatively little public attention ; yet the criminal had long been respected for his apparent religious zeal, and his position enabled him to defraud the community to the amount of more than £50,000. The story of the London and Eastern Bank is better known, but it is, unfortunately, by no means a solitary instance of breach of commercial trust.

The Obituary of the year, except in as far as it has been affected by the Indian disasters, fortunately contains few distinguished names, but the losses occasioned by the Mutiny will be long and justly

lamented. Sir HENRY BARNARD, a gallant and experienced soldier, conducted with eminent success the first operations of the siege of Delhi. Sir HUGH WHEELER had on many occasions done good service to the State before he fell a victim to the treachery of the bloodthirsty Mahratta. NEILL had seconded HAVELOCK with successful vigour. Of NICHOLSON it is not too much to say that he was the hope and pride of the Indian Army. The abilities and virtues of Mr. COLVIN have recently found a worthy record in our own columns. Sir HENRY LAWRENCE enjoyed the rare felicity of transcending all rivalry except that of his illustrious brother. The mortality in India has been singularly contrasted with our exemption at home from all serious public losses. No Minister, Parliamentary leader, or conspicuous man of letters has been removed from the scene, but one indefatigable writer and politician has caused by his death the sense of void which follows the cessation of any inveterate habit. Mr. CROKER was neither a sound nor a genial critic, while his historical sagacity was often at fault in the details with which it was exclusively employed. Yet, although it is difficult to define his characteristic faculty, he was undoubtedly able as well as active. Disapproved by the wise, and unpopular with the multitude, he always commanded an audience. Even his love of personality was made almost respectable by his skill in the art of inflicting pain, and in later years a kind of interest attached to the self-made man who resolutely took his stand on the traditions of the Regency. Many who are better, and who could worse be spared, still remain behind, but no one will again fill precisely the same position in literature and society. The public men who remember CASTLEREAGH and CANNING are rapidly disappearing. Their successors ought to be wiser by the accumulated experience of one generation.

1858.

The year which closes to-day will find its place on the ordinary level of history. No exclusive interest has absorbed public attention, as in the winter of the Crimean siege, or during the earlier period of the Indian Mutiny. Like one of those Arabian nights, or cantos of *ARIOSTO*, which contain the close of one adventure and the commencement of another, the year 1858 has taken up the threads of current transactions, and it has probably originated the germs of future changes ; but the events which are included within its limits can scarcely be reduced to any artificial unity. The Ministerial revolution was, in a great degree, the result of foregone blunders ; the successful, but lingering campaign in India naturally followed upon the desperate struggles of the previous summer and autumn, and the torpid state of enterprise represented the timid convalescence which, in the midst of abundance, still recalls the great commercial panic. The diplomatic arrangements consequent on the Russian War have been ostensibly wound up, the troublesome question of the Cagliari has been satisfactorily settled, and if there is some change in the national feeling with respect to the French alliance, the formal relations as well as the substantial interests of both countries still remain the same. The Treaties with China and Japan rewarded the firmness of the Minister and of the constituencies after the abortive coalition in the Spring of 1857. Mr. GLADSTONE'S Homeric mission will be more fully appreciated twelve months hence, if its consequences are important enough to be remembered after so long an interval.

The last year closed with the tidings that Sir COLIN CAMPBELL, after relieving Lucknow, had temporarily evacuated the hostile capital and

returned to inflict a signal blow on the Gwalior Army at Cawnpore. The sufferings and exploits of the beleaguered garrison have since been fully recorded by Mr. REES and Mr. GUBBINS, and they were worthily commemorated by General INGLIS in his simple and eloquent despatch. No episode of the war had excited so feverish an interest in England, and the final rescue of the besieged was welcomed in every household as if it had been a relief from personal or domestic anxiety ; but the common joy was tempered by universal regret for the death of HAVELOCK. Above every other leader in the war he had been generally recognized as a hero of the true national type. His simple character, his religious enthusiasm, and the rare fortune which crowned with merited glory a long life of undistinguished devotion to duty, all appealed to the deepest sympathies of the people ; and, although no soldier could fall at a happier moment, there was a natural feeling of disappointment that he should have died before he knew how fully he was appreciated by his countrymen. Even foreigners of English descent recognized in HAVELOCK the favourite characteristics of the race ; and when his death was reported at New York the vessels in the harbour lowered their flags in token of mourning for the gallant old foreign General. A few weeks later the country suffered a loss not less painful in the death of Sir WILLIAM PEEL, who, at the head of his Naval Brigade, had performed the part of a brilliant artillery officer in Sir COLIN CAMPBELL'S operations. No seaman of his time appeared to inherit in so large a proportion the calculated daring and the felicitous enthusiasm which gave NELSON the instinct of victory. If his contempt of personal danger was excessive, he never overlooked the minutest detail which could tend to the safety or success of his undertakings, for the mechanical aptitude which belongs to a sailor formed a principal

part of his character, and indicated his peculiar fitness for his profession. All Englishmen would have rejoiced to see new lustre added by the son to a name which had been made famous by the father in a career so widely different.

Sir COLIN CAMPBELL's retreat from Lucknow with his vast and cumbrous convoy, though it was generally recognized as a masterly feat of arms, has been sometimes censured by military critics. It is said that the enemy was cowed by the capture of the city, and that the subsequent evacuation was regarded as a triumph of the insurgents. It is not surprising that the garrison should have quitted the scene of its heroism with regret, nor can it be doubted that General INGLIS was justified in his assertion that he could hold the fortress against all opponents; but the Commander-in-Chief had to consider the whole plan of the campaign as well as the circumstances at Lucknow, and he was also compelled to take into consideration the political objects of the Government. There is no greater weakness in a General than the disposition to sacrifice material advantages to the attainment of a so-called moral effect. The respect and fear of enemies will always follow on the success of comprehensive schemes of warfare, and it is idle to turn aside from a great purpose for the sake of destroying or anticipating a popular delusion. By the retrograde movement to Cawnpore Sir COLIN CAMPBELL relieved his army from the encumbrance of protecting women and children, and his timely arrival rescued his rear guard and his communications from a serious danger. Certain of recovering Lucknow without difficulty at his own predetermined time, the Commander-in-Chief halted for two months at Cawnpore, while his reinforcements were coming forward, and his lieutenants and allies were advancing from different directions towards the centre of operations. In the meantime move-

able columns cleared the neighbouring districts from insurrection, and after two months the advance on Lucknow was resumed with an irresistible artillery. While the main army lay at Cawnpore General FRANKS was fighting his way from the East; JUNG BAHADOOR, with a large force of Ghorkas, descended from Nepaul, and it was hoped that Sir HUGH ROSE would penetrate through Central India in time to take a decisive part in the operations. Sir JAMES OUTRAM, under the orders of Sir COLIN CAMPBELL, took Lucknow with little loss, but the Ghorkas proved inefficient, Sir HUGH ROSE was unavoidably detained, and the bulk of the garrison succeeded in escaping through the interstices of the investing army. Yet the capture of their guns and stores, as well as the capital itself, was justly esteemed a proof that the war on a large scale was at an end, although it was probable that a long series of detached conflicts would still test the vigour and endurance of the army. After the capture of Lucknow the Commander-in-Chief once more remained stationary for a time, while he made preparations for the gradual subjugation of Oude. All the conditions of the struggle had changed since the previous summer, and there was no longer any occasion for such haste as might be found inconsistent with any deliberate system of operations. The movements of the first campaign, terminating with the siege of Delhi, had for their base the remote and insecure position of Lahore, and Sir JOHN LAWRENCE might at any moment have been forced to reserve or to withdraw his reinforcements for the indispensable protection of the Punjab. In the second campaign Lord CLYDE relied on his communications with Calcutta, and it has been justly observed that the true basis of his operations was London or Southampton. The unequalled resources

of England have been even more strikingly displayed during the present contest than in the organization of the powerful army which was collected in the Crimea at the end of the Russian War. The European force in India has been raised to 100,000 men, while an equal number remains in the United Kingdom as a reserve and for the purposes of defence. The old prejudice that maritime greatness was incompatible with military strength is found by experience to be the reverse of the truth. It would be more accurate to assert that English armies have the means of acting wherever they can find an approachable sea coast for the commencement of their operations. Towards the close of the cold season Lord CLYDE marched into the North of Oude, dispersing with little difficulty the insurgent forces which attempted resistance under the BEGUM, the Nawab of BAREILLY, and the MOULVIE. A successful expedition was saddened by the loss of many valuable lives, and especially that of Brigadier ADRIAN HOPE, one of the most efficient and promising officers of the army. Early in June the Commander-in-Chief, in suspending active operations for the summer, was able to congratulate his troops on the suppression of all open opposition, and on the prospect of an early termination of the war. In the South a brilliant and arduous campaign was prolonged far into the summer. At the commencement of the year Sir HUGH ROSE began his march from Indore, in the hope of taking a part in the investment of Lucknow ; but the chiefs of Central India were in insurrection, there were many strong places to reduce, and the Gwalior Contingent, after its repulse at Cawnpore, still held together and watched the passage of the Jumna at Calpee. At Saugor and at Kotah the superiority of the British troops was established, and at Jhansi the RANEE, one of the remarkable heroines who have been produced

by the war, was defeated in a pitched battle, and the fortress was subsequently stormed. When the Calpee Army, avoiding a collision, marched southwards upon Gwalior, SCINDIA'S troops, with the exception of his body-guard, immediately joined the Mutineers, so that the Maharajah, driven from his capital, was compelled to take refuge in the English camp. Sir HUGH ROSE, who was on the point of resigning his command, instantly collected all the forces within reach, marched upon Gwalior, defeated the Mutineers, and retook the fortress, which had been reputed impregnable. The restoration of the faithful Mahratta ruler formed a worthy termination to the most daring and skilful among the subsidiary campaigns of the year. The recent movements of the Commander-in-Chief in Oude are fresh in general recollection. With the Royal amnesty in one hand and the means of instant punishment in the other, Lord CLYDE has succeeded in procuring the submission of many troublesome opponents; and the Civil authorities, following in his track, will probably be able, in a limited period, to complete the disarmament of the country. Beyond the limits of Oude the so-called Army of the PEISHWAH, confiding in the rapidity of its movements, almost alone maintains the rebellion, which once threatened to embrace the whole of India.

The operations at Canton, which had been unavoidably suspended in consequence of the diversion of the forces to India, were brought to a successful conclusion at the commencement of the year. Sir MICHAEL SEYMOUR and General STRAUBENZEE, with the aid of a small French Contingent, after clearing the river and the adjacent creeks of the Chinese war junks, landed their troops under the walls of Canton early in January. The city was taken with little difficulty; a Municipal Government was provisionally established by the authority of the allied commanders, and the Com-

missioner, YEH, the chief author of the outrages which had occasioned the war, surrendered himself as a prisoner to the English. The Imperial Government at Peking, however, still affected to remain neutral in the dispute, and, finding it useless to attempt negotiations from a distance, Lord ELGIN, in the middle of the summer, arrived at the mouth of the Peiho, with the avowed intention of forcing his way to the capital. The skill and spirit with which the English officers crossed the bar of the river, and the instantaneous reduction of the forts which attempted to interrupt the progress of the squadron, satisfied the Chinese authorities that the time had arrived for acquiescence in an equitable arrangement. The Treaty of Tien-tsin, which establishes diplomatic relations between Peking and the European Courts, will remain a solid and honourable monument of Lord ELGIN's judgment and firmness. While the French auxiliaries were anxious to be set at liberty for their projected expedition against Cochin China, and the representatives of Russia and America were acting in concert with the instruments of Chinese intrigue, the English Plenipotentiary succeeded in opening the Empire to European commerce, and in obtaining, for the first time, a distinct recognition of the equality between foreigners and natives. The disaffection of Canton was still fostered by the local Mandarins, with the tacit consent of the Government, but the English negotiator once more pointed to the forces at his back, and the Chinese Commissioners have at last shown themselves disposed to carry out the provisions of the Treaty without further evasion. As soon as the preliminary articles were signed, Lord ELGIN set sail for Japan, and, anchoring off the capital with a judicious disregard of conventional difficulties, he received in the form of a commercial Treaty a merited tribute to the vigour and success of his recent Chinese diplomacy. The highest

authorities on questions of trade are at present unable to foretell the practical result of the new relations which have been established with Eastern Asia, but in providing a legal basis for commercial operations the Government has contributed its proper share to the progress of commercial enterprise. In the possible contingency of future outrages perpetrated at the expense of British subjects, faction itself will henceforth be unable to treat a vigorous demand for redress as a violation of natural law. The imperfect right of equal intercourse and of reciprocal justice has been converted by Lord ELGIN, under the instructions of the Government which employed him, into an obligation as definite and as susceptible of enforcement as the maritime law of civilized nations or the stipulations of the Treaty of Vienna. The best commentary on the capture of Canton and on the naval operations in the Peiho is to be found in the satisfaction with the results of the war which the leaders of the coalition of 1856 have expressed whenever they have been forced to notice the Treaty of Tien-tsin.

In all parts of the world except India and China the general peace has only been menaced by misunderstandings and rumours, which always recur from time to time in the relations of great and independent Powers. The alliance between England and France is still unbroken, and it may probably be long maintained, through the influence of the common interest on which it rests ; but it is impossible to deny that the friendly feeling between the English nation and the Imperial Government has been rudely shaken. Even after the irritation occasioned by the WALEWSKI Despatch had subsided, an unpleasant consciousness remained that, while the conduct of the House of Commons had not been strictly dignified, a political convulsion ending in a change of Ministry had resulted from

the discourteous remonstrance of a foreign Government. The violent laws of repression, which seemed to extinguish the last vestige of French liberty, furnished a pretext or a reason for the change of popular feeling. Political pedants waste their time in denouncing the impropriety of criticizing the acts and institutions of foreigners. The national character must be transformed and human nature itself modified before Englishmen cease to take an interest in the affairs of Europe, and more especially in the fortunes of France. The trial of MONTALEMBERT produced almost as much excitement as if it had taken place at the Old Bailey, although the eulogy on England which constituted his offence had of itself attracted little attention. It is difficult to say how far the estrangement of feeling is reciprocal, or whether the festival on the inauguration of Cherbourg has strengthened any jealousy which might have existed. Continental Princes are in the habit of visiting their neighbours, to witness military displays of forces which may ultimately be directed against themselves; and a great naval arsenal opposite the Channel Islands may be contemplated by Englishmen with similar equanimity. If ORSINI had never committed his crime, Cherbourg would probably have been regarded with indifference. In future English Governments will be justified in cultivating friendly relations with France, but their object will be defeated if it is habitually proclaimed without a judicious deference to popular sympathies. The rumours of possible hostilities between France and Austria in the North of Italy are probably without any solid foundation, but they seem to indicate a diminished reliance on the prudence and moderation of the French Government. It is highly improbable that Russia should be induced by any impulse of ambition or resentment to promote a collision which would seriously interfere with her great experiment of internal reform. The Emperor

ALEXANDER has undertaken, in proposing the commutation of servile tenures, a task which was too formidable for the boasted courage of his father. A more partial and limited form of serfdom has been successfully abolished within fifty years in many parts of the Continent. The social and economical difficulties of the change are probably greater in Russia than in Germany, but there is no reason to suppose that the EMPEROR's project is either chimerical or revolutionary. The Russian peasant is industrious, versatile, and fond of money, and if the adjustment is fairly made he will soon understand the advantage of commuting personal services into fixed payments, and of exempting himself from an authority which is always liable to degenerate into oppression and caprice. The prosperity of advancing civilization would render the Russian Empire at the same time more powerful at home and less formidable to its neighbours, and one standing temptation to diplomatic aggression has been removed by the virtual abdication of FREDERICK WILLIAM of PRUSSIA. The REGENT is understood to have emancipated himself from the baneful influence which still affected his brother's mind, although it was no longer maintained by the stronger will of the Emperor NICHOLAS. There is reason to hope that both in his domestic and in his foreign policy the Prince of PRUSSIA will consult the true interests of his country. A majority of Moderate Liberals in the Chamber is prepared to act in concert with the Ministry, and the Parliamentary system may gradually become vigorous and permanent if the representatives of the nation learn to act in harmony with the CROWN, while they avoid the danger of compromising their own independence.

The satisfactory termination of the Neapolitan dispute by the release and compensation of the engineers of the Cagliari left no diplomatic question open between England and the European Powers,

except the final settlement of the Moldavian and Wallachian Constitution. After an unnecessary display of warmth, the French Government succeeded in establishing a partial union of the provinces, which will probably give rise to future intrigues and complications. England and Austria had previously defeated the project of creating an independent Principality on the Danube; France and Russia desired in turn to make their influence felt in the negotiations, and Lord PALMERSTON, who had steadily supported the former policy of the Western alliance, was no longer in office. The prospects of Turkey, under the operation of recent French diplomacy, are by no means encouraging. When Prince DANIEL, of Montenegro, had taken the opportunity of inflicting a treacherous defeat on his hereditary enemies, the interposition of France prevented the Ottoman Government from prosecuting the war. In Candia foreign intrigues keep the Christian population on the verge of rebellion, and at Jeddah the barbarous fanaticism of the local authorities has necessitated vigorous measures of repression, which are scarcely compatible with the nominal Sovereignty of the PORTE.

The American Government has only discovered within an entire year a single ground of complaint against England, and it may be hoped that, in disclaiming a supposed Right of Visit which had no foundation in international law, Lord MALMESBURY will have done something to mitigate the chronic jealousy which American orators affect in compliment to the Irish immigrants and the indigenous rabble. In his recent Message to Congress the PRESIDENT confines his menaces to Mexico, to Spain, and to the feeble Republics of the Isthmus and of South America. It is not impossible that in a few years the official language of Washington may reciprocate the good feeling which is expressed

towards the people of the United States at every public meeting in England.

The earliest domestic event of the year excited an interest which was altogether unconnected with its political importance. Observers who had long appreciated the advantages of Constitutional Monarchy and the personal qualities of the reigning SOVEREIGN were surprised by the sympathy which the marriage of the PRINCESS ROYAL called forth in every household in the kingdom. No public rejoicing in recent times has been so genuine and spontaneous, and a large portion of the popular enthusiasm must be attributed to the respect and attachment which are justly entertained for the QUEEN. The distinctive character, however, of the occasion consisted in the eager participation of the non-political sex. There never was a fitter opportunity for celebrating a festival in honour of domestic happiness. Every woman feels absorbing interest in an ordinary wedding, and in their high and equal station, their well proportioned years, and their mutual affection, the Royal couple seemed to be forming an ideal union, like a marriage in some novel which all the world was simultaneously reading. Any advantage which may hereafter accrue to England or to Prussia from the family connexion will be welcome when it is attained, but the PRINCESS ROYAL will best fulfil the kind wishes which accompanied her departure by enabling her countrywomen to know that she is happy in her husband and her home.

A few days before the marriage ORSINI's atrocious attempt to assassinate the EMPEROR had produced as strong a feeling of indignation in England as in France itself. The extraordinary blunders which converted public sympathy into national resentment may be partially excused on the ground of terror and sudden irritation, and it is undesirable to revive unpleasant discussions which are fresh in

the memory of all men. The Parliamentary complications which followed were fully recorded in our own columns, both at the time and at the close of the Session, and the story has since been worn threadbare in the apologetic or boastful harangues of autumnal orators in the provinces. On the issue which decided the fall of the late Ministry there can be little doubt that the majority of the House of Commons was in the wrong. Lord PALMERSTON had asserted the honour of England with a high hand in all serious negotiations, and even in the decisive debate his most bitter antagonist taunted him with his success in defeating French and Russian manœuvres in the East. The Minister who had lately commanded universal confidence was the proper judge of a diplomatic form ; and it is notorious that the present Government has since exceeded its predecessors in devotion to the Imperial alliance. Nevertheless, it is as useless to question the prevailing opinion of Parliament as to argue with the master of thirty legions. There can be no doubt that the House of Commons was tired of the Whig Ministry, and that the coalition which took advantage of ORSINI'S delinquencies would soon have found or made an opportunity of uniting in the accomplishment of the common purpose. The same combination of Party impulses, of sectional grievances, and of individual ambitions rendered it afterwards impossible to affirm the plain and necessary truth which was embodied in Mr. CARDWELL'S unanswerable resolution. In a certain sense, all political defeats are justly deserved, and Lord PALMERSTON'S assuredly formed no exception to the rule. Instead of taking advantage of a strong position to act with confidence and vigour, he imprudently relied on the temporary popularity by which his past services had been rewarded ; and if the country has derived no especial benefit from the change of Government, official statesmen have

enjoyed the opportunity of learning an important lesson.

The political calm which followed the close of the Session was first partially interrupted by the announcement of Mr. GLADSTONE's strange mission to the Ionian Islands, under the fantastic title of "Lord High Commissioner Extraordinary." The popular Constitution which an unlucky caprice had bestowed on the islands had given full scope, under the superintendence of temporizing Governors, to the intrigues and violence of native demagogues. For some years seditious language has been the passport to office, and there has consequently been an abundant supply of a kind of patriotism which was at the same time profitable and popular. The hostility of the Christian population of the mainland to the Turkish Government has given a spuriously national direction to Ionian clamour and intrigue; and after the concession of every local demand which the ingenuity of faction could devise, the Assembly, the Municipalities, and the Press have concentrated their pretensions on the project of a union with the Kingdom of Greece. It only remained for the English Government to choose between the surrender of the Protectorate and the determination to enforce upon the Ionians the necessary condition of order and submission; and the choice was still further narrowed by the necessity of obtaining the sanction of the Great Powers to the abandonment of an obligation which had been imposed by the Treaty of Vienna. A mission which seemed to imply a confession of past errors, as it professedly encouraged the hope of new concessions, was only rendered more mischievous by the reputation and position of the eloquent but eccentric statesman whom Sir E. B. LYTTON oddly announced in his character of an eminent Homeric scholar. Mr. GLADSTONE's well-known sympathies for the Greek race and faith might probably mislead his

judgment, while they would certainly fail in conciliating native discontent, and it was certain that all his subtlety would fail to find a middle term between the maintenance and the abandonment of the Protectorate. Sir JOHN YOUNG's awkward attempt to solve the difficulty by giving up the remoter islands transpired through the negligence of a subordinate official at the most embarrassing moment, and henceforth the hopes of the demagogue will only be checked by the most vigorous assertion of the protecting authority. Mr. GLADSTONE's experiment may already be described as a hopeless failure. His enthusiasm for the Greek cause and his extraordinary deference to the local ecclesiastics are too sincere and too unaccountable for the credulity of a race pre-eminent in the cunning which belongs to imperfect civilization. His hearty display of sympathies not usually cherished by Englishmen is naturally mistaken for coarse affectation by the Corfiotes, and in the smaller islands he has been generally met by ostentatious demands for a union with the Kingdom of Greece. His proposed visit to Athens will not fail, while it gratifies his classical longings, to suggest the probability of a secret negotiation for the transfer of the Septinsular dominions. The principal result of his mission will probably be displayed in his early coalition with the present Government, but it is unfortunate that an alliance which has long appeared probable should be consummated by an unnecessary sacrifice of interests connected with an important dependency.

The latter part of the autumn has been disturbed by the commencement of a partial Reform agitation. The pledge which Lord JOHN RUSSELL volunteered seven or eight years ago has been adopted with a kind of lukewarm eagerness by every successive Government, but the performance of the promise was interrupted by the Crimean War, and by various changes of Ministry, down to the resig-

nation of Lord PALMERSTON. Lord DERBY has followed the example of his predecessors, and it seems certain that some project of the kind will be brought forward and seriously discussed in the Session of 1859. The necessity of reconstructing the representative system has become a political formula, which is commonly repeated with a careless fluency, indicating little depth of conviction ; but an absence of theoretical symmetry, though it may involve no real convenience, becomes indefensible, and even practically injurious, when it is made the subject of universal remark. It is possible to devise a scheme of Reform which may be harmless and even beneficial, but, unluckily, admiring artists, in proposing to repair the fabric of the Constitution, introduce competitors who desire, like Mr. BRIGHT, to substitute a new American contrivance. Nineteen-twentieths of the House of Commons would have been well content to dispense with the measure which derives its origin from the initiative of Lord JOHN RUSSELL, and of the residue a very small fraction approves the doctrines which have been preached at Birmingham and Manchester. For the discontent which may follow the rejection of sweeping projects all parties are in various degrees responsible. The movement has hitherto been only maintained by the activity of one indefatigable agitator, and, to keep up the interest of successive meetings, it has been found necessary to digress into many subjects wholly unconnected with Reform. A powerful and self-willed orator, Mr. BRIGHT finds sympathetic hearers to applaud opinions and arguments which leave in cooler moments no serious convictions behind. The Birmingham assembly cheered the denunciation of aristocratic proneness to war, as they would three years since have welcomed an equally eloquent attack on aristocratic coldness in the midst of general warlike enthusiasm. In Scot-

land Mr. BRIGHT sought to take advantage of local jealousies by declaiming against the territorial monopoly of the great landed proprietors ; and on both occasions it was evident that he distrusted the popularity of the measure which it was his immediate business to recommend. The absence of revolutionary excitement is illustrated by the compulsory abandonment of the scheme for carving out the country into equal electoral districts. The existing constituencies are beginning to understand that their own practical disfranchisement would follow from the project which Mr. BRIGHT originally advocated, as he still holds it in reserve. Reformers may transfer and subdivide rights of voting, but no ingenuity can create an additional atom of political power, and it was to meet a growing conviction of this truth that Mr. BRIGHT lately apologized for his plan, on the ground that it would only increase the constituency of Edinburgh by a limited percentage. It is difficult to disabuse Englishmen of their hereditary belief that every franchise is at the same time a privilege and a trust. The comparative moderation of demagogues is the highest tribute to the good sense and sound political instinct of a nation immemorially free.

The political occurrences of the year have exercised little influence over the condition of industry and trade, for the results of Lord ELGIN'S Treaties will only be felt after a considerable interval. Notwithstanding the cheapness of money, commerce has languished in consequence of the monetary crisis of 1857, or rather by a necessary reaction from the previous system of overtrading. Two great mechanical experiments of the highest commercial importance have been successfully tried, although neither the Atlantic Telegraph nor the giant ship have yet been brought into practical operation. The delay in the launch of the Leviathan and the unfortunate fracture of the

oceanic cable have, unhappily, caused disappointment and loss to the projectors of both undertakings, but it has been positively ascertained that all parts of the world may be brought into telegraphic communication, and there is every reason to believe that ordinary traffic will henceforth be made cheaper and quicker by the economy of space and power in vessels of colossal size. While political observers are often tempted to doubt the progress of mankind, it is satisfactory that in one great department human intelligence is becoming every day more active and more fruitful. The generation which has discovered railways and photography and electric telegraphs entertains a conviction unknown in former ages—that it has but raised the lid which covers an inexhaustible treasure of profitable knowledge. England has contributed more than her share to the mechanical inventions which necessarily become the common property of the civilized world ; but higher qualities are implied in the prouder boast, that alone among European nations she possesses the secret of organic freedom, which consists in willing obedience to limited and responsible power.

1859.

The year which ends this day fitly terminates a decade in which domestic prosperity and advancement have been only interrupted by a constant succession of external disturbances and surprises. The shallow theorist who, about the beginning of the present reign, announced that the age of history was over, would probably have arrived at an opposite conclusion if he had lived a few years longer. Recent annals resemble a serial romance, in which each successive chapter is distinguished by some strange event or unexpected turn of fortune. Since the Revolution of 1848 almost every year has

been rendered memorable by an unforeseen crisis or catastrophe of its own. In 1850 the reaction, already triumphant in other parts of the Continent, was visibly impending over France, but public attention was principally directed to the armaments which seemed to indicate the approach of an internecine struggle between Austria and Prussia. A few months later the quarrel had been suppressed by the dictatorial interference of the Emperor NICHOLAS, and by the end of 1851 it was forgotten in the excitement of the successful conspiracy which re-established despotism in France. In 1852 the Empire, which had been previously proclaimed as the synonym of peace, was formally inaugurated by the triumphant adventurer who alone among all his contemporaries had believed beforehand in his own singular destiny. In 1853 the newly-crowned EMPEROR took occasion to interfere in the ecclesiastical affairs of Jerusalem, and consequently Russia and Turkey were in the autumn fighting on the Danube, while all the diplomatists of Europe were engaged in impotent efforts to avert the more general war which finally broke out in the following year ; 1854 was made famous by the victory on the Alma, by the glorious blunder of Balaklava, and by the desperate heroism which prevailed at Inkermann ; and in the latter part of the year a nation which had almost forgotten the traditions of war was penetrated with overwhelming anxiety for the safety of the remnant of the Crimean force. The efforts which regenerated the English Army would have sufficed to render 1855 memorable, even if the war had not been virtually terminated by the capture of Sebastopol. In 1856 there was a lull in the political atmosphere, while the Congress of Paris was recording the results of the war ; and the calm was but slightly ruffled by one of the periodical differences with America which generally mark the approach of a Presidential election. In the spring

of 1857 a foreign Minister congratulated an English friend on the happy condition of a people which seemed to have no more pressing grievance than the presence of some intrusive cows in one of the public parks. A fortnight later the news of the Indian Mutiny arrived, and by the middle of the summer it was known that a handful of Europeans was fighting for life and death with the entire Bengal army, now arrayed in open rebellion against England. Misfortunes, dangers, and triumphs which might have sufficed for the history of a generation—the massacre of Cawnpore, the preservation of the Punjab, the siege of Delhi, and the march of HAVELOCK on Lucknow—resulted towards the end of the year in a confidence, not unchecked by anxiety, that the fortune of England would still maintain itself in India. The victories of Lord CLYDE and his lieutenants, and the general pacification which gradually followed, completed the cycle of the great Eastern struggle in the course of 1858. Twelve months ago sanguine observers might have hoped that a stormy period was to be followed by a corresponding interval of security and repose.

In domestic affairs, the equal balance of parties and the consequent instability of Cabinets have been found compatible during the last ten years with general contentment and progress. The Reform question was reopened by Lord JOHN RUSSELL when his Government, about the beginning of the period, was rapidly declining in popularity and power ; but, notwithstanding diligent nursing, and all but unanimous adhesion on the part of political leaders, the agitation is even now only on the eve of arriving at an artificial and undesired success. The country has been employed rather in profiting by previous amendments of its institutions than in recommencing the process of organic legislation. The profound security of 1850 left the community at leisure for the alarm and irritation which

followed on Cardinal WISEMAN's bombastic defiance of English feeling, and on the ill-timed acceptance of the challenge in the letter to the Bishop of DURHAM. The Parliamentary demonstration which occupied the ensuing Session scarcely divided the public interest with the gorgeous Exhibition of Arts and Manufactures in the Hyde Park Crystal Palace. No original enterprise of the kind has ever been equally popular and successful, for the brilliant display which took place in Paris four years later was professedly copied from the English undertaking. It was said that more than a million of strangers were attracted to London by the Exhibition, and during the whole summer the most careless observer was aware of an unusual crowd in the streets. In some departments of industry permanent improvements have arisen from the opportunity of comparing various products, and the novel application of glass and iron to the highest purposes of architecture has been perpetuated on a colossal scale in the Crystal Palace at Sydenham. The triumph of mechanical art and of commercial associations was so complete as to furnish some excuse for the optimists, who found in the concourse of sight-seeing foreigners a pledge of universal and perpetual peace. At the same time, notwithstanding the increasing weakness of the Government, domestic differences appeared to have terminated with the passing of the Ecclesiastical Titles Bill, and the year was almost at an end when the dismissal of the ablest member of the Cabinet by his official superior commenced or announced the personal dissensions which have since deprived the Liberal majority of half its natural strength. As soon as Parliament met in 1852 Lord PALMERSTON, amid general merriment, took an opportunity of driving his late colleague from power, and on Lord DERBY's consequent accession the principal member of the Tory party were for the first time admitte

to office. Mr. DISRAELI, Mr. WALPOLE, Sir JOHN PAKINGTON, and Mr. HENLEY have justified, by their subsequent career, the discernment of their chief, but the experiment of a Protectionist Ministry was principally remarkable for the definitive abandonment of Protection. As long as the present distribution of political power secures a predominance to the more intelligent classes, Free Trade is henceforth, like Parliamentary representation or Ministerial responsibility, not so much a prevalent opinion as an article of national faith. A general election left Lord DERBY's Government in a minority, and, after a fierce conflict over Mr. DISRAELI's injudicious Budget, the House of Commons passed a vote in the middle of December which necessitated the formation of a new Ministry. In the autumn of 1852 the Duke of WELLINGTON died in the fulness of age, two years after Sir ROBERT PEEL's premature death. The pageant of the Duke's public funeral was ennobled by the universal reverence which was felt even more deeply for his strong and simple character than for his great achievements. No statesman has since taken the place in public estimation which was occupied by WELLINGTON and PEEL in their later years, irrespective of party opinion and feeling.

The ABERDEEN Government of 1853, strong in the ability and political following of its members, might probably have remained powerful and prosperous for a long period if the Russian War had not intervened. Mr. GLADSTONE's comprehensive financial measures were calculated to increase the prosperity which was anticipated with reasonable confidence, and it could scarcely be foreseen that Lord ABERDEEN's extreme anxiety for peace would become a principal secondary cause of a formidable and expensive war. In 1854 a Reform Bill, which had been framed in an equitable spirit by Lord JOHN RUSSELL, was summarily thrown over by the

House of Commons on the satisfactory pretext that it was impossible in the crisis of a great struggle to pay due attention to organic projects of change. Future experience may, perhaps, show that it would have been wiser to dispense with the plausible excuse, and to buy off, at the cost of a limited evil, indefinite possibilities of mischief. The news from the Crimea would have been fatal to the Government even if the ancient Whig leader had not attempted to anticipate the fall of his colleagues. Lord PALMERSTON succeeded to the head of affairs at the beginning of 1855, when the crisis was already passing, and the popularity which attended the success of the following campaign, after carrying him safely through the Session of 1856, seemed to be increased and confirmed by his triumph at the general election of 1857 over a coalition of all his numerous opponents. The negligence and errors by which the Ministry afterwards threw away its commanding position are still within recent memory. Early in 1858 Lord DERBY once more profited by the dissension of his opponents, and the ability and popular manners of some of his colleagues reconciled the country and the House of Commons to the temporary continuance of an Administration which was evidently destined only to endure until the leaders of the majority had found means to reconcile their differences. The chronic disorganization of parties has happily not produced any intermission of social or commercial progress. Although the Crimean War, the Indian Mutiny, and the monetary crisis of 1857 have successively excited general anxiety within the last ten years, the wealth and the population of the country in 1860 far exceed the standard of 1850. The gold discoveries, in addition to their direct action on the currency, have created new markets for English products at the Antipodes. Australia, South Africa, and New Zealand are flourishing and loyal com-

munities, and the extension of railways over various parts of the world has encouraged the production and supplied the consumption of the greatest industrial population in the world. It may be doubted whether greater accumulations of wealth have ever taken place in a period of ten years in any age or country, and for the first time within recent experience the reward of labour has increased even more largely than the profits of capital. An unprecedented duration of agricultural prosperity has led to a general advance of wages in the country, and in every department of skilled industry able workmen find it in their power to command almost any price for their services.

The year 1859 was characterized, like the period which it terminated, by a surprise in foreign politics, a change of Ministry at home, and a steady increase of material prosperity. As if to impress the year from its commencement with the historical character which it was destined to bear, the Emperor of the FRENCH selected the 1st of January for the public announcement of his hostile intentions to Austria. At the customary reception at the Tuileries, Baron HÜBNER was informed that the relations of the two Empires were unfortunately no longer friendly, and the Imperial language was, as the result proved, correctly interpreted by those who considered it equivalent to a prospective declaration of war. The Court of Vienna was probably not taken altogether unaware, for reports and even detailed accounts of French military preparations had been circulated in diplomatic regions during the previous summer and autumn. It was said that the English statesman who had recently visited the EMPEROR at Compiègne had returned home with impressions of uneasiness and anxiety ; and it was known that the Cabinet of Turin was unusually active in the display of its long-standing hostility to Austria. The rumour of an impending

rupture seemed less incredible to observers who reflected that, if NAPOLEON III. wished for war, Italy furnished at the moment the only available field for a singlehanded conflict with an isolated opponent. The neutrality of England was assured by the national sympathy with the Italian cause, and the Germans, who would have risen as one man to resent the violation of their frontier, might probably remain inactive while Austria was assailed only in her Transalpine possessions. There was no reason for peace except the risk of an Italian campaign, and the total absence of any legitimate cause of quarrel. The Emperor of the FRENCH has since explained that he made war for an "idea," or, in other words, for the aggrandizement of his country, of his dynasty, and of himself. The Austrian Government, correctly judging his intentions, unwisely played into his hands by neglecting a negotiation which was known to be fruitless, instead of throwing upon the real aggressor the undivided responsibility of his own policy. A few days after the speech to Baron HÜBNER the passes of the Tyrolese Alps were crowded with troops and artillery, until before the end of the month 50,000 additional soldiers were massed on the western frontier of Lombardy. The King of SARDINIA, who alone among the belligerents had a sound reason for desiring war, made the movement of the Austrian armies the excuse for a fiery speech to his Parliament, and under his orders GARIBALDI began to organize volunteer regiments, consisting in part of Lombard subjects and even of Italian deserters from the Austrian army. The French EMPEROR in the meantime steadily pursued his preparations, in the well-founded confidence that his ally and his enemy would relieve him from the necessity of actually precipitating the rupture. The marriage of his cousin, Prince NAPOLEON, with the daughter of the King of SARDINIA was justly regarded as an

indication of a warlike policy, and the hopes of those who still persevered in the expectation of peace were founded on the backwardness of public opinion in France, on the hostile demonstrations of Germany, and on the well-meant efforts of the English Government. It afterwards appeared that the Emperor NAPOLEON understood his countrymen well enough to know that as soon as war became inevitable the recollections of the First Empire would suffice to render a campaign in Italy universally popular. Frenchmen of the present generation, although by no means insensible to the advantages of wealth, grew up, under the teaching of BÉRANGER and THIERS, in the belief that military glory was better than justice, than freedom, and even than material prosperity. The general indifference at the commencement of the dispute arose from a total want of sympathy for Italy, and from a natural ignorance of any cause of quarrel with Austria. When hostilities were about to commence, the march of the troops superseded in interest all irrelevant inquiries as to the cause which had set them in motion. An eloquent writer expressed the general feeling in a dithyrambic address to a regiment of conscripts, which was exhorted to go and conquer for the honour of its eagle, in the confidence that France must be in her proper place as soon as she burst beyond her own frontier.

The irritation which prevailed, both among the German Governments and their subjects, could not be wholly disregarded on the eve of an Austrian war. The days have happily passed in which a French invader could hope to find alliance or sympathy beyond the Rhine. On the approach of the crisis the smaller States adopted ostentatious measures of precaution, and the organs of opinion unanimously demanded a national armament against the hereditary enemy of German independence. The Confederation, however, is powerless for

external warfare without the lead of Prussia, and the REGENT was influenced by the urgent representations of England, by the menacing attitude of Russia, and perhaps by the ancient jealousy which divides the two great German Powers. If the Federal territory had been violated, the neutrality of Prussia would have been overruled by the universal enthusiasm of the nation, and it is to Germany that Europe is mainly indebted for the short duration of the war, although an early peace may probably have been included in the designs of France. In the meantime the Emperor NAPOLEON foresaw that his enterprise might safely be commenced while his unfriendly neighbours were negotiating and arming, nor was it difficult to answer by fair professions and plausible excuses the friendly remonstrances of the English Government. Lord DERBY and Lord MALMESBURY were, with good reason, more bent upon preserving the peace of Europe than on weighing the exact value of the demands and arguments which were advanced by the various parties to the controversy. They urged upon France the risk of a general war, on Sardinia the duties of good neighbourhood, and on Austria the expediency of making even unpalatable concessions for the sake of disarming a formidable adversary. As the Emperor NAPOLEON had deliberately resolved on a rupture, which the Austrian Government judged to be inevitable, while the King of SARDINIA was in full pursuit of the professed object and main purpose of his whole reign, it was not surprising that English diplomacy, misconceiving the intentions of all the Governments with which it dealt, continued to appeal to their prudence and moderation,

“Vainlier than the hen

“To her false daughters in the pool ; for none

“Regarded.”

Throughout the discussion the Austrian Minister

candidly professed his conviction that all negotiation was useless ; and NAPOLEON III. was compelled to throw off the mask by affecting to refer the quarrel to a Congress, when Lord COWLEY had obtained at Vienna the concession of all the French demands. The English Government might console itself for the failure of its efforts by the certainty that any other diplomatic course would have led to precisely the same result ; but Lord MALMESBURY committed a grave error in adopting an unfriendly tone to the only belligerent who to a reasonable cause of war added an intelligible ulterior policy. It was judicious to apply every available pressure at Paris, where the decision between peace and war absolutely rested ; but, when the struggle was seen to be inevitable, it was a blunder to denounce the salutary ambition which offers the only security for the future independence of Italy. The aggrandizement of Sardinia into a powerful State can alone put an end to the enduring contest between France and Austria, and the universal sympathy of the English nation had justified beforehand the approaching effort of the Italian people to throw off for ever the yoke of the foreigner. The Austrian Government, with a natural confidence in a large and well-appointed army, seemed to welcome the collision, which could not ultimately have been evaded, and by taking the initiative it unwisely provided the real author of the war with a technical justification of his predetermined policy. The English Ministers displayed their good faith rather than their foresight by alternate reproofs to the belligerents, who successively disappointed their sanguine expectations. When Lord COWLEY was met by the project of a Congress Mr. DISRAELI intimated a feeling of dissatisfaction, which was probably deepened by his own recent assurance to the House of Commons that France was not even arming. Lord DERBY in his turn denounced as

culpable the Austrian declaration of war against Sardinia, although subsequent events proved that the assumption of the offensive was only to be blamed as a proof of strategic incapacity. The feeling of the country was similarly divided, although both the conflicting opinions rested on sounder foundations. General goodwill to Italy combined with universal distrust of France to create a balance of tendencies, which was practically represented by a unanimous demand for neutrality. Hasty reasoners have generalized into a permanent doctrine a policy which was only applicable to a particular combination of circumstances. It was enough that the arms of England could assuredly not be employed either to establish the preponderance of France in Europe or to perpetuate the oppression of Italy by Austria.

After hurrying on the war and crossing the Ticino in overwhelming force, the Austrian Generals paused, while the French were crossing the Alps, as if for the purpose of restoring the quality of force which their sudden advance had temporarily deranged. Before any active operations commenced the Allies were in line, and the Emperor NAPOLEON in person had, with rare and just confidence in his own powers, assumed the supreme command. Count GYULAI, already thrown upon the defensive, was in doubt whether the attack would commence on the right or left bank of the Po, and the first attempt to ascertain the intentions of the French only served to illustrate their superiority at the combat of Montebello. When his preparations were complete the EMPEROR, with great skill, massed his forces to his own left and commenced his advance; but, although the Austrians were taken entirely by surprise, it was only by the incompetency or dissensions of their Generals that they failed to achieve success at Magenta. After their defeat an entire change took place in the

Austrian plan of the campaign, and, instead of carrying the war into the enemy's country, it was suddenly determined to rely on the chances of one great battle immediately in advance of the famous Quadrangle. Piacenza, upon which millions had been expended, and many minor strongholds were blown up, Ferrara was soon afterwards abandoned, and the rivers which descend from the Alps to the Po were, to the surprise of the French, successively left without defence. The new plan of campaign was probably more judicious than the original scheme, but it produced throughout Europe the impression of a defeat. The policy of retreat was perhaps in some degree suggested by the revolutions which had taken place in Parma, Modena, and Tuscany as soon as the war broke out. The Austrians probably felt confident that the failure of the French invasion would restore their own supremacy in Italy, and they were at the same time hard pressed by the daring advance of GARIBALDI along the foot of the Alps, arming the population as he went. The Piedmontese army had earned more than its share of glory at Montebello, and it had obtained a success of its own in the combat of Palestro. The exploits of GARIBALDI aroused the enthusiasm of every genuine Italian, and the Emperor NAPOLEON was still regarded with a confidence which would have been prudent if it had proceeded from a generous impulse. In the great Battle of Solferino the French once more outfought their opponents, although BENEDEK, on the right of the Austrian line, obtained a hardly-won and barren advantage over the Piedmontese. The Emperor NAPOLEON had thus far advanced without a check, and he had personally conquered the willing submission of his own Marshals and Generals by the proof of his military capacity; but he found himself in front of four great fortresses, occupied by an enemy still superior in number, and the un-

sparing employment of his picked regiments had left him to rely mainly on the general body of his army. Behind the Austrians was the Tyrol, with Germany at its back, and enough seemed to have been done for glory in a war which, perhaps, had no other definite object. To the utter astonishment of Italy and Europe, it was announced that the two EMPERORS had agreed first on an armistice, and immediately afterwards on the conditions of peace. The advantageous position of Austria in the Quadrangle would probably have suggested perseverance in the contest, but Hungary was at the moment on the verge of a rebellion, certain of success so long as the Austrian army was engaged in Italy, a French squadron had only a few days before made a demonstration off the port of Zara, and a still more powerful flotilla was ready to open fire on Venice. By the Treaty of Villafranca Lombardy was ceded to France, and then transferred to Piedmont, and it was agreed that the fugitive Princes of Central Italy should be restored to their thrones. The difficulties which are now supposed to call for the arbitration of a Congress were at the moment probably not foreseen by either of the Imperial diplomatists. The Italians of the Duchies and of the Romagna have refused to accept the counsels of their powerful patron, for their leaders from the first discerned, with admirable sagacity, the obstacles to an intervention on the part either of France or of Austria. Since the Treaty of Villafranca, and notwithstanding the definitive Peace of Zurich, the population of Central Italy has, with the avowed countenance of King VICTOR EMMANUEL, steadily maintained its resolution to annex itself to Piedmont. The vast importance of possession in national as in private litigation was never more remarkably illustrated. The Tuscans and their neighbours are indebted to the Emperor NAPOLEON for the opportunity of managing their own affairs,

but their own courage and wisdom have taught them that provisional independence tends to perpetuate itself by the very fact of its existence. For the first time since the ill-omened expedition of CHARLES VIII., the whole of Italy, with the exception of Venetia and of the city of Rome, has for some months been exempt from foreign control. Austria is hindered by serious internal dangers from attempting to retrieve her recent failures, and, excepting for the factitious agitation among the Romish clergy, a general consent of opinion would acquiesce in the continuance of the existing independence. The POPE, who is the most formidable of the Central Italian pretenders, has exercised no real sovereignty in the Romagna since his flight in 1848. The restoration of his power at best could only consist in the return of a foreign garrison. There is reason to believe that the Sovereign whose interference might have been most effectual has at last recognized the expediency of leaving Italy to settle down according to its own natural equilibrium.

The internal politics of England were not perceptibly influenced by the warlike aspect of Continental affairs. The charge against Lord DERBY's Government of entertaining Austrian sympathies produced little effect at the time, and it was afterwards disproved by the exhibition of impartial helplessness in Lord MALMESBURY's correspondence. The Ministers, however, soon lost the apparent popularity which they had enjoyed during the preceding Session, and they insured their own defeat by the introduction of a Reform Bill which two of the most conspicuous members of their own body refused to support. The disfranchising clauses which proved fatal to the Bill may probably be attributed to the perverse ingenuity of Mr. DISRAELI, yet it is doubtful whether the most skilful tactics would have baffled Lord JOHN RUSSELL's vigilant hostility. The reunion of the Liberal leaders or

some early occasion was at the same time inevitable, and necessarily fatal to the Administration. The General Election, although it brought the numerical strength of parties nearer to an equality, converted a partially neutral majority into a determined Opposition; and the decisive vote with which the summer Session commenced really gave effect to the wish of the country. The present Government includes an unusual proportion of eminent Parliamentary leaders, and the compromises of opinion which will necessarily be effected among its different sections may, perhaps, approximately represent the deliberate judgment of the community. Mr. DISRAELI and his followers are better employed in checking the errors of the Ministry than in bidding from the Treasury bench against a Liberal Opposition for popular support. The Parliamentary history of the year was reviewed in our columns at the close of the Session, and it has not become necessary for the Government to make any announcement of importance during the Recess. The steady refusal of Lord PALMERSTON and Lord JOHN RUSSELL to participate in a Congress until securities for the rights of Italy were obtained has accurately corresponded with the feelings and convictions of all political parties in the United Kingdom. The clamour which has lately been raised by the Irish priesthood in favour of the POPE scarcely affects to connect itself with those considerations of justice and expediency which determine the conduct of statesmen. A sectarian agitation in favour of the indefeasible sovereignty of a foreign potentate can scarcely be regarded as an exception to the remarkable unanimity which prevails among intelligent laymen. The English Government, although it has never interfered with the temporal dominion of the Holy See, cannot pledge itself when it takes part in a European arbitration to disregard the actual condition of the different Italian provinces.

The political tranquillity of the autumn was only disturbed by one or two speeches in which Mr. BRIGHT, with a candid indiscretion, explained some of his ulterior objects in advocating a revolution in the representative system. It is undoubtedly absurd to recommend organic changes which are to produce no perceptible results, but the mystery of Reform loses much of its imposing character when its probable consequences are examined in detail. According to Mr. BRIGHT, the increase of the constituencies will lead directly to a fiscal revolution, by which all the public burdens will be imposed on property, while its owners are excluded from all share in political power. The absolute divorce of taxation from representation may not, perhaps, tend to the exercise of strict economy in the national expenditure, and for the present Mr. BRIGHT's appeals to the cupidity of the working classes seem not to have met with general support. The most eager claimants of an extended franchise naturally shrink from the premature recommendation that they should use the irresponsible power which they are to attain for purposes of selfish injustice. In public meetings of every description political discussions have been found so distasteful that speakers have in almost all instances dwelt either on foreign affairs or on the defences of the country. The disclosures of electoral corruption, although they have attracted serious and painful attention, offered, from their peculiar character, little room for the display of after-dinner eloquence. The revelations of Gloucester and Wakefield were painful to the more respectable portions of all political parties. The hypocritical blindness of candidates and of the central managers of elections in London is more offensive than the coarse roguery of their humbler agents or the venality of pauper electors. The hackneyed nostrums of secret voting and of swamping the existing constituencies are generally felt to

be inapplicable remedies. The evil consists not in the purchase of votes, but in the low moral condition or imperfect knowledge of the electors who are willing to sell them. The Gloucester delinquents would not become better constituents in consequence of any arrangement which might deprive them of their accustomed market. It is satisfactory to reflect that the House of Commons, in its collective capacity, bears comparatively little trace of the stains which in some instances attend the process of election.

One of the most troublesome questions of social economy has been forced into prominence by the dispute between the London builders and their workmen. In the latter part of the summer the managers of a Trades' Union Society ordered the men employed by a particular firm to strike for a reduction of the hours of labour, and the masters, who had been previously organized for purposes of defence, immediately answered the challenge by a "lock-out" extending over 120 large establishments. After a short interval the builders reopened their yards to all workmen who were willing to renounce the obnoxious dictations of the Trade Societies, and after a struggle of several months the so-called "Declaration" has been accepted by the great majority of the original recusants. It can scarcely be said that the contest has thrown any additional light on the policy of combinations; but every unsuccessful strike probably conveys a practical lesson to those who are most liable to misunderstand the true relations between labour and capital. The educated and commercial sections of the community may learn from these periodical disturbances that the sound economical creed which they have fortunately adopted is, for the present, almost exclusively confined to their own country and class. Nearly all foreigners believe in the beneficent effect of legislation on trade, and the

numerical majority of Englishmen still attribute the rate of wages to the state of the law or to the will of the employer. It is an advantage, however, when the leaders of the Trades' Unions appeal to reason and principle by their very use of crude rhetorical phrases which are most repulsive to the rigid economist. Faulty arguments put forward in good faith may be answered and rectified, while mere invective only tends to envenom the dispute. It must be admitted, to the honour of the workmen in the building trades, that, if they were misled by idle sophisms, they bore the consequences of their error at the cost of themselves and their families, without attempting to revenge their supposed wrongs on society. During the long cessation from labour of thousands of able-bodied men there has been neither an increase of crime nor even an extraordinary pressure on the poor-rates in the metropolitan district. The power of organization displayed by the operatives gives them an additional claim to be heard when they put forward demands which they honestly believe to be just. When they find that they are treated with sincere respect they may, perhaps, gradually open their minds to the conviction that their favourite policy consists of one elaborate and complicated mistake.

The unavoidable inconvenience of possessions and commercial relations extending round the globe were exemplified by the arrival in the same week in September of disagreeable intelligence from the North-West Coast of America and from the mouth of the Peiho. The Treaty which was concluded between Lord ASHBURTON and Mr. WEBSTER unfortunately contained a loose geographical description of the boundary line which follows the Strait of Fuca. American ingenuity has not failed to urge a claim which is possibly consistent with a strained interpretation of the letter of the Treaty, and it was agreed that until the question was

decided the Island of San Juan, forming a portion of the debateable ground, should be regarded as neutral territory. The congregation of desperadoes and adventurers attracted by the gold discoveries in British Columbia appears to have suggested to General HARNEY,—an officer formerly connected with Filibustering speculations—the design of acquiring a vulgar popularity by a wanton outrage against the English flag. With a small force, probably selected in the hope of inviting resistance, the intruder took possession of the disputed territory, and the prudence of Mr. DOUGLAS, the Governor of Vancouver's Island, alone averted a disastrous collision. The insolence of General HARNEY, though it was applauded by many journalists in all parts of the United States, was, fortunately, too indefensible to be adopted by the Government of Washington. The most respectable officer in the Federal Army has been sent to supersede the offender, and there is reason to hope that, notwithstanding the impending contest for the Presidency, England will not be forced into a quarrel for the benefit of any Republican or Democratic candidate.

The collision with the Chinese was a more serious misadventure, nor is the English mind easily reconciled to the defeat of a naval expedition, however great may be the superiority of the hostile force. The engagement, which itself partook of the nature of a surprise, was the consequence of diplomatic complications such as may be expected to arise in dealings with a nation hitherto impenetrable to the principles of European morality. International law implies a reciprocity of obligation, which has never practically existed between China and England, and even Lord ELGIN's Treaty created rather a contingent right of coercion than a reliable contract between responsible Governments. Mr. BRUCE found on his arrival at Shanghai that his

reception at Peking would, if possible, be evaded, and he observed that the Mandarins derived confidence from the withdrawal of the French forces, then employed in an unsuccessful enterprise on the coast of Annam. After much fruitless negotiation, the Ambassador procured the escort of an English squadron, and Admiral HOPE, attempting, at his request, to force the entrance to the Peiho, was repulsed, notwithstanding his own desperate gallantry and that of his officers and men, by the fire of a well-directed artillery, backed by an overwhelming force of the best troops in the Empire. The subsequent failure of the American Minister to obtain an audience of the EMPEROR afforded a sufficient proof that submission to Chinese demands was not likely to be attended with satisfactory results.

A crusade of a different kind, unexpectedly undertaken by Spain against Morocco, may, in some respects, be considered an anachronism; but the processions, the sermons, the reminiscences of PELAYO, of RUY DIAZ, and of ISABELLA I. probably represent the sentimental associations of antiquaries rather than the political motives of Marshal O'DONNELL. The triumph of the Cross over the Crescent might furnish good reasons for war, if the argument were not equally applicable at all times and in all places where Christians find themselves in contact with Mussulman neighbours. As far as the contest is of a religious nature, the Spaniards have the disadvantage of only affecting proselytizing zeal, while their simpler and more savage opponents are thoroughly in earnest. The belief that Paradise awaits the slayer of an infidel, though it has died out in Europe, may probably still flourish on the slopes of the Atlas. The true reasons of the invasion are more prosaic, if not more prudent, and the most urgent of all is a desire to prove in comparative safety the recent regeneration of the finances, the army, and the administration of Spain. A hope

of emulating the French conquests in Africa is undoubtedly entertained by the Spanish nation, although it has been formally disavowed in the official correspondence with the English Government. It has suited the purpose of Spanish politicians or of foreign emissaries to convert a portion of the popular excitement into a burst of jealousy against England. Experience and calmer consideration will, perhaps, lead to the conviction that pacific counsels were perfectly consistent with the goodwill which on the part of this country attends every independent and prosperous community. If Spain can by her own resources recover her former rank as a great Power, an additional weight will be added to the balance of forces, which furnishes the best security for the peace of Europe. The premature display of vigour in the unnecessary attack on Morocco can only postpone the perfect recovery of the nation and the Government from the weakness and confusion of several previous generations. The empty clamour against England was plagiarized by the Spaniards from the neighbours whom they habitually fear and imitate. For some months after the close of the war French journals of all colours denounced with strange unanimity the national sympathy for Italian independence, which appeared to English minds as inoffensive as it was general and inevitable. Travellers and residents in France reported the existence of universal irritation in all classes, and the army was not discouraged in boastful anticipations of the long-propheesied invasion. The agitation, afterwards suddenly calmed by the direct interference of the Government, was not unnaturally attributed to the authority which has since shown its power to control it. The alarm which might have been excited on this side of the Channel was materially allayed by the rapid increase of the navy since the beginning of 1858; but the reiterated menaces of France,

illustrated by a wholly unprovoked attack upon Austria, have at last produced a firm resolution to render invasion henceforth impossible. The rapid organization of Rifle Volunteers, if it perpetuates itself in a national custom, will have been by far the most important movement of the year. Conscientious ability to protect the shores of England against all assailants will calm the susceptibility of popular feeling even when subjects of dispute with France unfortunately arise. Two or three hundred thousand Volunteers, skilled in the use of the rifle and instructed in the rudiments of military discipline, would, in conjunction with the Regular Army and Militia, outmatch any force which could find its way across the Channel. After a campaign of three months, many of the Volunteer regiments would be competent to take their place in a line of battle, and in the meantime they might with little assistance garrison all the strong places in the kingdom. In the contingency of an attack on Malta or Gibraltar, the existence of a sufficient domestic force would set the army at liberty for foreign service. There is no reason to doubt the sincerity of the friendly professions which have recently been made by the Emperor of the FRENCH ; but six weeks ago the relations between the two countries were on an unsatisfactory footing, and at this moment the French Government is pushing on with extraordinary zeal the suspicious project of the impracticable Suez Canal. All future negotiations will be facilitated by the knowledge that, in the event of a rupture, no enemy can henceforth hope to inflict a deadly blow upon England.

The old year has ended with a general advance of prosperity, and with cheerful hopes for the future. Exports and imports, employment and profits, and the produce of the public revenue have steadily increased, notwithstanding political uneasiness and the Continental war. The shipping interest seems

likely soon to recover from the exceptional depression which followed on the special demand for vessels during the Crimean campaign. Every other branch of industry is flourishing as abundantly as at any former period, and the England of 1860 is richer, stronger, and better contented than the wealthy and prosperous England which in 1850 commanded the respect and envy of the world.

1860.

During the year which closes to-day the condition of England has been tranquil and generally prosperous. Political activity has been so entirely confined to Parliamentary discussions that the history of domestic events might almost terminate with the end of the Session. In the absence of popular agitation both Houses ventured in turn on an unexpected exercise of independent judgment. The Commons, representing the real opinion of the country, unanimously shelved the project of Reform, which almost every member had, in deference to conventional clamour, individually pledged himself to support. When the House of Lords, for the first time since the Revolution, ventured to correct an acknowledged error in a perverse Budget, the substantial protection afforded to the public revenue was generally accepted as an excuse for the bold constitutional novelty. The acquiescence of the community in the maintenance of the Paper Duty and in the withdrawal of the Reform Bill may, perhaps, encourage Party leaders to assert their own convictions on the hustings, as well as in Parliament. When insincere professions have been safely disregarded in practice, it may be assumed that they were unnecessary or misdirected. The recent suspension of political excitement may in some degree be attributed to the confidence which is reposed in

the Government, or rather in its chief. Lord PALMERSTON possesses, in popular estimation even more perfectly than in his real character, that combination of habitual tenacity with opportune pliability which befits an English Minister. His measures are consequently seldom attributed to capricious levity, and his prudent resistance never provokes the ridicule which attaches to bigotry and prejudice. A single-minded regard to State expediency would characterize a perfect statesman, and the PREMIER is believed to be comparatively exempt from any personal bias which could interfere with the discharge of his public duty. The gaiety of his imperturbable temper enables him in ordinary circumstances to compose the dissensions of his colleagues, and to retain the willing allegiance of his followers. If the feeling which is entertained to his person falls shorts of enthusiasm, no Englishman, whatever may be his party leaning, is ashamed to be represented at home or abroad by Lord PALMERSTON. His tenure of power will probably long be secure against external assaults, if the tact which has often averted the threatened disruption of the Cabinet continues to baffle the eccentricities of its most restless member.

The Government has been materially strengthened by the coincidence of its foreign policy with the judgment and feelings of the country. Extraordinary events have directed towards Italy the anxiety and enthusiasm which find no immediate employment at home, and, with some allowance for official mistakes and vacillations, it must be admitted that the diplomacy of England has been prudent, firm, and consistent. In the excusable alarm which was caused by the war of 1859, Lord DERBY and Lord MALMESBURY had fallen into the blunder of deprecating that aggrandizement of Sardinia which they ought to have regarded as the only compensation for the encouragement of French ambition.

The principal members of the present Ministry were friendly to the cause of Italy, and if they formerly entertained any undue leaning to France, the bias has since been effectually corrected. In promoting the establishment of a powerful Italian kingdom, Lord PALMERSTON was cordially seconded by Lord JOHN RUSSELL, and it fortunately happened that Mr. GLADSTONE's sympathies were enlisted on the side of sound policy and of justice. The less liberal or more sceptical members of the Government, if they neither desired nor expected the triumph of the national cause, could offer no practical opposition to a system of non-intervention. At the commencement of 1860 the consolidation of Northern Italy into a single State was still incomplete and uncertain. FARINI governed Parma, Modena, and Romagna, with the title of Dictator, in the name of VICTOR EMMANUEL, and Tuscany had recently been prevented by French interference from placing a Sardinian Prince at the head of the Provisional Administration. Although the stipulations of Villafranca had been annulled by the refusal of the provinces to restore the dethroned potentates, sanguine Italians were not unwilling to accept the conqueror of Solferino as the arbiter of their destinies. In a pamphlet, which was justly regarded as an Imperial manifesto, the POPE had been urged to acquiesce in the independence of his revolted subjects, and to content himself with a nominal Sovereignty in the city of Rome. It was evident that the secularization of the ecclesiastical dominions implied the constitution of a kingdom of Northern Italy, and it seemed possible that the assent of France to the annexation of the Duchies was only delayed in temporary deference to the reasonable reclamations of Austria. The English Government, relying on the personal and official assurances of the Emperor NAPOLEON, had not yet discovered the key of the mystery, and Lord COWLEY prudently

turned a deaf ear to incidental hints of designs which could only be carried out by a violation of formal promises. The secret bargain, by which Savoy and Nice were to be the price of French assistance to Piedmont, had become inoperative by the failure of the Allies to conquer Venetia. The determination of Central Italy to form a part of an independent nation furnished an excuse for substituting a compulsory arrangement for the abortive contract. While France was ostensibly advocating the claims of the fugitive Grand Dukes, Count CAVOUR was struggling in vain to avoid the necessity of buying off at a heavy price the scruples which could not be gratuitously surmounted. In the midst of its rapid expansion the Sardinian kingdom was to be dismembered on pretexts and by processes which were even more objectionable than the simple act of spoliation. When the KING and his Minister had been forced to submit, the Parisian journals suddenly began to suggest the expediency of annexation, while in the provinces themselves French agents organized demonstrations in favour of the Imperial Government. Semi-official writers proved that nature and history concurred in assigning to France the northern slopes of the Alps and the frontiers of the former empire. Considerations of symmetry and of strategy were put forward to justify the anticipated suffrages of the inhabitants, and the Government, to prove its consistency and moderation, promised that Switzerland should be secured by the possession of the valleys to the south of the Lake of Geneva. At a later period the French title was rested chiefly on the Piedmontese cession, although it was professedly confirmed by a popular vote, taken under circumstances of more than ordinary pressure and fraud. When at last the seizure was on the eve of completion, the Swiss Resident at Paris was informed that the whole of Savoy would be included in the new French depart-

ments. The Emperor NAPOLEON had apparently miscalculated the impression which was actually produced by the disclosure of the intrigue. All Europe regarded the annexation of Savoy as a revival of the old Imperial policy, and Belgium and Germany, especially, remembered that French cupidity had always associated the frontier of the Rhine with the barrier which had now been reached on the summit of the Alps. The Prussian Government was only restrained by the prudent moderation of England from anticipating future aggression by an immediate rupture, and Lord PALMERSTON and his colleagues, while they recognized the impossibility of forcible interference, openly resented the audacity and astuteness of their former ally. It was felt that the Treaty of Commerce concluded in January would be regarded in France and on the Continent as the price of English acquiescence in the spoliation of March. The unwilling spectators of the encroachment could only acquit themselves from the charge of having been accomplices by the confession that they had been dupes. Lord JOHN RUSSELL, who had been one of the most zealous advocates of the French connexion, expressed the sentiments of the entire Cabinet when, amid the cheers of the House of Commons, and with a menacing allusion to a possible defensive coalition, he formally renounced the exclusive alliance with France.

After paying the heavy price exacted by his confederate, VICTOR EMMANUEL was at last free to accept the allegiance which Central Italy had spontaneously tendered. Lord JOHN RUSSELL had at an earlier period recommended a fresh appeal to the people, and the French Government took the opportunity of insisting on a new application of the rude and fraudulent contrivance of universal suffrage. It happened that in Romagna and in the Duchies the wishes of the population coincided for

the time with the policy which had been long before dispassionately adopted by thoughtful statesmen and patriots. The form of the vote for once represented the sentiments and interests of the nation, and it was only unfortunate that a respectable precedent should be unnecessarily provided for future acts of territorial or despotic usurpation. As soon as the ceremony was finished the KING ratified the acceptance which he had before conditionally announced, and in a short address to his new subjects at Florence he intimated his determination to complete on a future occasion the task which was half accomplished by the union of North-Western and Central Italy. The POPE, moved to excusable anger by the final loss of the Legations, expressed his temporal helplessness and his spiritual wishes in the form of an excommunication, which indirectly glanced at enemies even more detested than the contumacious King of SARDINIA. The semi-official manifesto of the EMPEROR had already been condemned in a Papal allocution, and the protection of the French garrison, though still indispensable, became daily more unwelcome. Under the advice of Monsignor DE MERODE, a Belgian priest who had formerly been a soldier, the POPE determined to organize an army of his own—of Frenchmen, of Belgians, of Austrians, and, finally, of those Irish recruits whose inglorious adventures have since formed so fertile a topic of ridicule. The project was rendered serious by General LAMORICIERE'S acceptance of the chief command. Sanguine Reactionists hoped that the French would resent any reverses which might befall a celebrated countryman, and, in the event of an Italian war, it was thought that the unbroken Neapolitan army would be available as a reserve to the Papal General. In the midst of vague and objectless expectation, Italy and Europe were startled by the opening of a chivalrous romance which soon developed itself

into an enterprise of well-considered heroism. In the early spring the chronic uneasiness of Sicily had broken out in occasional conflicts between the Royal troops and irregular bands of insurgents. The multitude were led, as in former Sicilian disturbances, by some of the gentry and of the priests, and, although the ultimate triumph of the Government seemed inevitable, there was no reason to doubt the universal disaffection of the island. The contest would have terminated, after an obscure struggle, with the usual official cruelties and murders, if a daring leader had not seen and seized the occasion for carrying on the great work of Italian liberation. From the close of the war GARIBALDI had chafed in unwilling repose, successively relinquishing, in deference to the KING's Government, his organization of "*The Armed Nation*," and his scheme for occupying with a volunteer force the remaining possessions of the Church. The surrender of his native district of Nice to a hated foreigner led to a final breach with the Minister who had submitted to the sacrifice, and, resolving henceforth to act for himself, though never for his own personal advantage, GARIBALDI sailed from Genoa at the beginning of May, and landed unopposed at Marsala in sight of two Neapolitan frigates. His force consisted of a few hundreds of his former followers in the Lombard campaign, and in a rapid march to the northern coast he increased his numbers rather than his strength by the accession of the irregular bands in the neighbourhood. Twenty-five thousand Neapolitan troops in Palermo and its environs, supported by a squadron in command of the sea, were baffled at Monreale, worsted in the combat of Calatafimi, and at last surprised by the presence of the popular General in the city itself. After a faint show of defence the garrison evacuated the place under a capitulation signed on board the

English flagship, so that in a few weeks the expedition which had been denounced as piratical had assumed the proportions of a regular and successful campaign. The timidity or incapacity of the Neapolitan naval officers had allowed successive disembarkations, which swelled the invading force to three or four thousand effective Infantry, with a few field pieces. The reports of the LIBERATOR'S earlier triumphs produced universal excitement in Northern Italy. The roads were crowded with volunteers, the regular troops threatened desertion, and the Government was half unwilling and wholly powerless to check the national crusade. After the surrender of Palermo the emancipation of all Sicily was confidently anticipated. Yet the Royal troops in Messina and Syracuse still outnumbered the invaders, while the insurgent bands, although their presence was annoying to the enemy, were almost useless through their deficiency in discipline and in steadiness. When GARIBALDI advanced eastward, the Neapolitans, after making a last stand at Melazzo, retired into the citadel of Messina, where the garrison has since remained without molestation. The rest of the island passed under the authority of the liberating General, who assumed the title and functions of Dictator. The future union of Sicily to the Italian kingdom was formally proclaimed, but the partisans of immediate annexation were summarily and sternly silenced. The DICTATOR required uncontrolled power for the completion of an enterprise of which the conquest of Sicily was only the commencement ; and, although he may at a later period have displayed some unsoundness of judgment, he was undoubtedly right in retaining the conduct of an undertaking on which the Piedmontese Government could never have entered.

The King of NAPLES, after ordering the bombardment of Palermo, and sanctioning the shameful

capitulation of his troops, displayed all the weakness, the precipitation, and the inconsistency of helpless alarm. He granted a Constitution, he offered to join Piedmont in a war with Austria, he appealed to England and France for assistance, and the only measure which he neglected was to place himself at the head of his overwhelming force for the purpose of crushing the invader as soon as he passed the Straits. A timely display of vigour would probably have confirmed the fidelity of the army and the fleet, and it would have encouraged the population of the Royalist provinces to resist revolutionary movements. In the meantime GARIBALDI was preparing to justify the terror which had paralysed the Court of Naples. In the beginning of August, three months after his arrival in Sicily, he threw his force in small detachments across the Straits, and advancing by rapid marches, unimpeded by a single combat, he entered the capital in advance of his army, while the KING, with 50,000 regular troops, retired upon Capua and Gaëta. To the astonishment of Europe, one half of Italy was made free almost without a blow, and it was not surprising that the sole hero of an unparalleled achievement should entertain an exaggerated belief in his own fortune and resources. The annexation of the Two Sicilies to the Italian Kingdom was again postponed, and, although the Neapolitan army still outnumbered the invader's force, GARIBALDI looked confidently to the liberation of Italy from the Austrians in the north-east, and from the French in the centre. He demanded of the KING the dismissal of CAVOUR and FARINI, and he announced to the Sicilians his intention of proclaiming the independence of Italy from the summit of the Capitol. There seemed too much reason to fear that the single-minded LIBERATOR would become the involuntary tool of the faction which has long proved itself the deadliest enemy of

the national cause. The danger was averted by the fortunate resistance of the Neapolitan army, by the foresight and daring of the Sardinian Government, and, above all, by the perfect loyalty of GARIBALDI himself.

While the liberating army was preparing to operate against Capua, Count CAVOUR and General CIALDINI arranged a private interview with the Emperor NAPOLEON, who happened to be making a progress through his new provinces. On their return the Government at once summoned the POPE to dismiss his foreign levies, and, on his refusal, CIALDINI and FANTI crossed the frontier of the Ecclesiastical States with overwhelming forces. The pretext for the war was frivolous, but the motives for undertaking it were so cogent that all the Continental Powers followed the example of France by passive acquiescence, while English opinion was avowedly favourable to the enterprise. GARIBALDI's imprudence enabled his rival to come forward not only as his indispensable auxiliary, but as the champion of order and of Royalty. Although France went through the form of recalling her Ambassador, and Russia suspended diplomatic relations with Turin, it was evident to all the Courts that the inevitable change could be most safely accomplished by an established Government and a regular army. VICTOR EMMANUEL was likely to postpone hostilities against Austria ; it was certain that he would avoid all collision with the French army of occupation, and, above all, his triumphs substituted a dynastic and constitutional reform for a political and social revolution. In a few days Umbria and the Marches were overrun, the Papal army was crushed or dispersed, and LAMORICIERE himself capitulated in the fortress of Ancona. The Piedmontese army immediately moved forward to complete the conquest of Naples, and GARIBALDI, who had, perhaps, become conscious of his inability to

take Capua and Gaëta with his irregular levies, made arrangements for the annexation of the Two Sicilies to the kingdom of VICTOR EMMANUEL, with the usual formality of universal suffrage. Count CAVOUR had previously taken the wise precaution of excluding all negotiation by obtaining from the Parliament of Turin authority for the KING to accept the allegiance of any Italian province, provided its adhesion were wholly unconditional. By their choice of VICTOR EMMANUEL as King, Naples and Sicily adopted the principle of national unity and the substance of the Piedmontese Constitution. Much dissatisfaction was occasioned by the obvious dissidence between the KING's Government and the daring patriot who had doubled the extent of the Monarchy ; yet GARIBALDI consulted his personal dignity by retiring to Caprera, and his irresponsible position would have been wholly incompatible with the character of an official administrator. A subject who assumes the right of deciding on peace and war has no place in the service of a regular Government. It is the first condition of freedom that individuals, and even heroes, should efface themselves in the presence of authority and of law.

Before the arrival of the Piedmontese, GARIBALDI had fought a successful action on the Volturno. After a second engagement the BOURBON troops retired on the line of the Garigliano, and shortly afterwards FRANCIS II. shut himself up in the fortress of Gaëta, where his position was strengthened by the capricious interference of the French fleet to prevent an attack by sea. The siege has been also prolonged through a repugnance to unnecessary bloodshed, and it will probably soon be terminated by negotiation. The new Government is said to be popular in Sicily, but the chronic anarchy of Naples displays itself in more troublesome forms of discontent and insubordination. The most eventful year

in Italian history terminates with a general feeling that the astonishing successes which have been achieved are incomplete, provisional, and uncertain. The expulsion of Austria from Venice depends on the course of events in Hungary, and the French occupation of Rome is still indefinitely prolonged. The POPE continues to curse his enemies and to protest against the seizure of his dominions, and the obstinate confidence of a dull fanaticism probably coincides with the policy which the most sagacious adviser would recommend. In an era of unexpected revolutions it may be prudent to await a possible reaction, and perhaps, if the hope is disappointed, a more manageable successor may be able to make terms with the Government of Italy for the maintenance of a national Pontiff as the head of the Universal Church.

The movement in Italy is closely connected with the equally critical and far less hopeful condition of Austria. The war of 1859 and the loss of Lombardy gave a fresh impulse to the just discontent of Hungary, and, after years of obstinate resistance, the EMPEROR was at last compelled to reconsider the entire system of his perverse and disastrous reign. The grossest corruption was disclosed among the agents whom he had chiefly trusted ; a high officer in the army and a Minister of Finance himself successively escaped prosecution by suicide, and universal distrust attached to all departments of the State. The convocation of the Reichsrath, or Consultative Council of the Empire, was a prudent measure, though it may prove to have been adopted too late. The publicity and freedom of the debates give the Government the opportunity of learning many wholesome and unpalatable truths, and the most obnoxious members of the Ministry have been forced to withdraw under the pressure of general opinion. As soon as the Council had closed its session the EMPEROR promulgated a general Con-

stitution for the Empire, together with a series of separate charters for the different provinces. The system was well constructed and plausible, but it has already proved abortive through its fundamental incompatibility with the claims of Hungary. The kingdom which forms the most important unit in the aggregate of the Austrian dominions steadily refuses to sacrifice its separate existence, or to recognize the arbitrary suspension of its old Constitution. Accordingly, the Hungarians demand the restoration of their rights as they existed in 1848, and they insist on the reunion of the Slavonic dependencies which have since been detached from the kingdom. The imbecile Concordat has had the effect of uniting Catholics with Protestants, and the Diet, when it meets, will be unanimous in its assertion of the national franchises, and only divided on the question of maintaining a dynastic union with Austria. The result will depend chiefly on the progress of events in Italy, for the impending war in Venetia would at once be followed up by a rising in Hungary, and probably by the revolt of the Hungarian portion of the army. By consenting to the sale of his Italian possessions, and by a simultaneous acquiescence in the constitutional limitations of the kingly power in Hungary, FRANCIS JOSEPH might, perhaps, still avert the final disruption of the Austrian Empire. Little aid in the coercion of his subjects can be expected from Russia while the Emperor ALEXANDER is embarrassed by the revived disaffection of Poland, and by the progress of revolutionary schemes in all the regions which border on the Lower Danube.

The autumnal meeting of the two EMPERORS and of the Prince Regent of PRUSSIA at Warsaw proved the impossibility of reviving the defunct Holy Alliance. The only common interest of the three SOVEREIGNS consisted in their well-founded jealousy of French ambition, but the attempt to form a

defensive league betrayed the wide divergence of their political tendencies. In Germany, Prussia, notwithstanding her vacillations and inconsistencies, still represents the national unity, in opposition to the Austrian Protectorate of the Princes. The PRINCE REGENT, both in his domestic administration and in his German policy, has fallen short of patriotic anticipations ; but no Prussian Sovereign can afford to renounce the hopes which have been connected with his House since the days of FREDERICK the GREAT. In steadily rejecting all proposals for the dismemberment of the national territory the REGENT performs an obvious duty with ability and firmness. After the annexation of Savoy the Parisian Press teemed with suggestions for the extension of a similar process to the provinces on the left bank of the Rhine. Prussia was exhorted to follow the example of Sardinia by annexing the petty States in her vicinity, and it was intimated that the assent of France might be as easily purchased in Germany as in Italy. A proof of the official origin of these projects has since been furnished by a speech of M. DE PERSIGNY, who informed the Council-General of his department that France desired the aggrandizement of Prussia, subject to the condition of a suitable equivalent for herself. The PRINCE REGENT intimated so little satisfaction with the overtures of his formidable neighbour that the Emperor NAPOLEON, in the early summer, proposed a personal interview at Baden. There was humour as well as prudence in the reception which awaited the Imperial guest. Ten German Princes were assembled around the REGENT, as witnesses of any transaction in which they might be concerned ; and it became clear that the resumption of the Rhenish frontier must be effected, if at all, by war, by universal suffrage, or by some other violent method, and not, as in the corresponding Alpine precedent, by diplomatic cession.

About the same time King LEOPOLD had occasion to acknowledge in Belgium an enthusiastic popular demonstration in favour of the independence which has lasted for thirty prosperous years. It was generally believed that French agents were intriguing in favour of annexation, and the answer which has been returned to their invitations will be conclusive for the present. Even in Spain an abortive conspiracy was attributed to the same disquieting influence which was diffusing uneasiness over all parts of Europe. The plot itself may probably have been of indigenous growth, but the Moorish war, with which it was immediately connected, was undertaken under French inspiration. The campaign in Africa, which at the beginning of 1860 had recently commenced, continued during the winter without leading either to reverses or to glory. The Moors displayed an entire absence of military qualities, and the Spaniards, though successful in numerous obscure skirmishes, occupied three months in the march from Ceuta to Tetuan. At the moment when peace was concluded General ORTEGA suddenly landed from the Balearic Isles for the purpose of proclaiming CHARLES VI. as King. The neighbouring regiments refused to join in the revolt, the rebel chief was executed, and the PRETENDER and his brother, having been captured, signed, with the characteristic cowardice of their race, an abdication, which they afterwards, with hereditary perfidy, retracted. There is some reason to hope that their baseness, coinciding with the deposition of their cousin of Naples, may henceforth eliminate from history the male line of the Spanish BOURBONS. In domestic as well as in foreign affairs the policy of France has been uncertain and fitful. By ostensible diplomacy and by private communications, by pamphlets and by despatches, and by military and naval movements, the Emperor NAPOLEON has alternately stimulated

and restrained the enterprise of Italian freedom. The great Powers of the Continent have been alarmed at the renewal of the old Imperial system, while the smaller neighbouring States have been more seriously disturbed by fear for their own independence. The Treaty of Commerce, originating in a wise regard for the commerce and prosperity of France, might, perhaps, have accomplished the incidental purpose of conciliating English feeling, if the conclusion of the arrangement had not been immediately followed by the seizure of Savoy and Nice. A still graver cause of uneasiness was furnished by the expedition to Syria, coinciding with many suspicious rumours of approaching complications in the East. The chronic and obscure feuds of the tribes in the Lebanon had suddenly exploded in a furious attack of the Druses on their Maronite neighbours, who seem, under the instigation of their clergy and of foreign agents, to have given the first provocation. The Turkish authorities connived at the massacres which ensued, and at Damascus they allowed a fanatical and bloodthirsty rabble to pillage and murder the Christian inhabitants without either opposition or remonstrance. Their criminal remissness has since been punished by FUDAD PASHA, the Commissioner of the SULTAN, with exemplary severity; but a French army still holds the chief military posts in Syria, and the period of occupation, which was originally limited to six months, has recently been extended. Soon after the despatch of the expedition the Emperor NAPOLEON, in a public letter to Count PERSIGNY, endeavoured to reassure English anxieties by professions of an unambitious policy in Europe and in Asia. Lord PALMERSTON represented the opinion of the country by a coldly courteous reception of the Imperial overture. Pacific professions, however sincere, become unsatisfactory when they are too frequently required. One French army in Rome

and another in the Levant, although their employment may admit of explanation, will produce a recurring necessity for candid and plausible excuses. Confidence would be more effectually revived at home and abroad by perseverance in the comparatively liberal system which has recently been inaugurated in France. If the great bodies of the State are really allowed to participate in the direction of public policy, there will be less risk of the surprises which have for some years from time to time disarranged all political calculations. The measures of the French Government, arising in an individual will, have necessarily been characterized by uncertainty, if not by caprice. The Austrian war and the Treaty of Commerce were equally unforeseen, and to English understandings even the abolition of passports is confusing as well as agreeable. No reform can be more welcome to a nation which detests official interference ; yet it is difficult to understand the functions of a Legislative body in a country where so sweeping a change can be effected at the will of the Executive. Constitutional rights and voluntary concessions by the Crown have little in common ; yet it is not for Englishmen to object to a beneficial measure, especially as the improvement is directly complimentary to themselves. The feeling which exists between the two countries is, on the whole, not unfriendly, although the need of vigilance on this side the Channel is incessantly renewed by constant additions to the French armaments on land and on sea.

The tendency to irritation and alarm has been visibly diminished by the extraordinary success of the Volunteer organization. The defensive force of the country has within a year and a half been increased by 150,000 men, of whom two-thirds are already competent to take their place in a line of battle. Some of the regiments have obtained extraordinary efficiency both in drill and in manœuvres,

and the possibility of equipping a far larger force to resist an invasion has been amply demonstrated. The reviews by the QUEEN of large Volunteer bodies in Hyde Park and at Edinburgh have been followed by provincial inspections in all parts of the kingdom, and by innumerable competitions for prizes in shooting. As the fortifications which were sanctioned by Parliament are in active progress, there is reason to hope for a cessation of the panics which have hitherto ensued as often as there was a prospect of war in Europe. The Volunteer movement would have been less practicable in a time of distress or of political discontent. In the present year all the principal departments of industry have been prosperous, and even agriculture has suffered less than was feared from seasons of extraordinary inclemency. The active interest which attended the financial discussions in Parliament subsided at the close of the Session, and the autumn has passed without any attempt to excite popular agitation. It was found hopelessly impossible to create an excitement on the subject of the Peers and the Paper Duty, and in two or three recent speeches Mr. BRIGHT has been compelled to fall back on the standard grievance of a restricted Parliamentary franchise. It would be difficult for the acutest Reformer to discover any symptom of general desire for the reduction of English institutions to the uninviting level of the suffrage which supports despotism in France and democracy in America.

The manufacturers are, on the whole, satisfied with the alterations effected in the French Tariff under the provisions of the Treaty of Commerce. Mr. CORDEN, who has displayed much assiduity and intelligence in the arrangement of the details, not unnaturally receives the credit for a liberality on the part of the French Government, which really proves that his intervention was almost superfluous.

Finding himself strong enough to defy the Protectionists, the Emperor NAPOLEON determined to augment by the same measure both the commercial prosperity of his subjects and the revenue of the State. The pliable zeal of Mr. COBDEN and Mr. GLADSTONE gave him the opportunity of making a double profit by converting into a bargain the change which he would for his own sake have otherwise offered as a boon. Having thus consulted the interests of French producers, he was the better able to insist on benefiting the consumers and the Custom-house. The duties on English goods have accordingly been assessed at remunerative rates, and not on a prohibitive scale, which would have neutralized the Treaty. Mr. COBDEN's services have been useful in collecting and transmitting information, especially in reference to the difficult choice between specific and *ad valorem* duties. When the rate falls short of the stipulated *maximum*, it is evident that the reduction is independent of the Treaty, nor can it be reasonably supposed that French concessions have been made in deference to Mr. COBDEN's authority, or to his persuasive eloquence. The disapproval of the Treaty which was entertained both in Parliament and in the Cabinet was founded on financial reasons, utterly apart from the commercial operation of the Tariff. The sanguine expectations which are founded on the liberal policy of France had no bearing whatever on the paramount obligation of a Chancellor of the Exchequer to maintain an equilibrium in his Budget.

In the absence of political excitement, general interest was felt in the successful visit of the Prince of WALES to North America. The loyalty which is founded at home on custom and on conviction seems to be idealized into a stronger personal feeling in the remote possessions of the CROWN. The inhabitants of the colonies received the PRINCE with a

welcome but slightly interrupted by the obstinate perversity of the Orangemen in Upper Canada. The Duke of NEWCASTLE, by his steady refusal to sanction Party demonstrations, conveyed a valuable lesson both to the obtrusive faction and to their local opponents. It is the privilege of Royalty, standing apart from internal dissensions, to represent the impartial unity of the State, and the corresponding defect is constantly observed in Republics when the chief of the Executive is leader of a dominant majority. The general demeanour of the colonists to their young and brilliant guest was marked by perfect good taste as well as by genuine cordiality, and Englishmen might reflect with satisfaction that in the wide expanse of British America no sound of applause was either suggested by servile hopes and fears or prompted by official interference. Free-men alone have it in their power to offer hospitality to Princes, because they can withhold it at their pleasure. If the name of the QUEEN had not deserved and commanded universal respect, not a town in Canada would have troubled itself with an affectation of goodwill to her representative and heir. The ovation which was awarded to the Prince of WALES in all parts of the United States was still more satisfactory and remarkable. The imaginative or even fanciful feeling which causes Americans to feel an interest in the Royal Family of England is not the less strong because it is wholly unconnected with political relations. A Republican who has never conceived the possibility of living under a Monarchy feels himself at liberty to admire without scruple the highest impersonation of fortune and of historic greatness which belongs to his blood and language. The great qualities which have left the present reign unstained by even a personal error have confirmed the disposition of Americans, and especially of American women, to recognize in the Queen of ENGLAND the social chief of their

race. The youth of the PRINCE, the grace of his manners, and the uniform good judgment which he displayed, were well calculated to sustain the enthusiasm which was excited by his name and parentage. It cannot be doubted that thinking Americans wished at the same time to soothe the asperities which have too often arisen between the great Republic and the mother country. It is the duty of Englishmen heartily to accept and to reciprocate an opportune and generous overture. The interchange of good wishes may commence with a cordial desire for a peaceable and prosperous solution of the serious political difficulties which now menace the safety of the Union.

The consequences which have immediately followed the election of a Republican PRESIDENT have probably taken the South as well as the North by surprise. Loud threats of secession had been so habitually used that they were generally classed among the exaggerations of American Party warfare. There was undoubtedly some affectation both in the sinister forebodings of the Democrats and in the obstinate incredulity of the Republicans ; but it was only in South Carolina and in one or two adjacent States that the disruption of the Union was seriously contemplated. The authors of the movement probably formed a small minority even in Charleston itself, but they have taken advantage of a moment when the pro-slavery orators had committed themselves too far to recede. South Carolina has practically thrown off the Federal authority, and the remaining Cotton States seem about to adopt a similar course. The older slaveholding communities are agitated by conflicting uncertainties, wishing at the same time to cling to the Union and to extort impossible concessions from the Northern States. The Republicans are evidently perplexed by their triumph, and their Democratic opponents see in the unexpected fulfilment of their

own predictions the imminent ruin of their party, through the secession of their slaveholding allies. The election of Mr. LINCOLN is in itself only an imaginary or symbolic grievance. The PRESIDENT has no initiative in Federal legislation, nor is it in his power to interfere with local rights of property. The ostensible points in dispute are the right of possessing slaves in the Territories, and the unconstitutional acts by which some free States have rendered the Fugitive Slave Law inoperative. Both questions lie within the competence of the Supreme Court, which has uniformly interpreted the Constitution in accordance with the pretensions of the slaveowners. The PRESIDENT has no means of influencing the decision, except by the nomination of partisan Judges to vacancies which may occur on the Federal Bench, but the Southern States resent the discovery that a majority of the entire population is opposed to the extension of Slavery. A reconciliation seems hopeless if the Union is only to be preserved on the conditions suggested by Mr. BUCHANAN in his Presidential Message. The New England States might, perhaps, repeal the laws which they have passed in defiance of the Constitution ; but it is absurd to expect that the Republicans will turn their victory into a defeat by acknowledging the abstract right of property in slaves, or by legislating in accordance with the decision of the Supreme Court in favour of Slavery in the Territories. The prospect of the maintenance or restoration of the Union must be derived from more general considerations, which have hitherto been obscured by party passions. The States which meditate secession have as yet by no means realized the establishment of an inland frontier with strangers, and perhaps enemies, on the other side. The evils of which they complain can only be aggravated by the abdication of the hold over their confederates which they derive from the Constitu-

tion and from their alliance with the Democrats of the North. Separation will convert every free State into a safe asylum for fugitive slaves, and, if a partition of the territories is effected, the Southern Confederacy will only obtain the portion which must, from situation and climate, necessarily have fallen to its share. Mr. BUCHANAN was right in thinking, if not in saying, that it is impossible to coerce a seceding State, because American institutions involve no provision for the Government of a conquered province. The pride of belonging to a great nation, the habit of union, and the convenience of unrestricted intercourse, will probably induce the Slave States to devise some attainable compromise, if only time is given for negotiation and reflection. The feelings, and perhaps the interest of England, are on the side of continued union. The free commerce which might be opened at Charleston or New Orleans would fail to produce cordial relations with a Confederacy which would be pledged to promote the indefinite extension of Slavery, even if it were not tempted to revive the Slave Trade.

The close of the year has been rendered memorable by the successful termination of the China War, which had been rendered necessary by the breach of Lord ELGIN's former Treaty in the autumn of 1859. The expedition was for the most part organized in India, and the COMMANDER-IN-CHIEF and some of his principal officers had attained distinction by their services in the campaigns occasioned by the Mutiny. By the middle of the summer the force was assembled in an admirable state of efficiency in the vicinity of the scene of operations. The excusable backwardness of the French preparations delayed the commencement of the war till the autumn, and it was fortunate that the combats and negotiations which ensued were completed before the winter. The capture of the

Taku Forts was chiefly remarkable as the first practical proof that the Armstrong guns were as effective in actual service as on the practising-ground. The Tartar troops of the enemy displayed military qualities of a high order, but the enormous superiority of European weapons rendered every contest hopelessly unequal. From the first arrival of the expedition the Chinese agents put in practice all the resources of their indigenous system of diplomacy, but the net of the retreating Oriental combatant has ceased to be a match for the sword-thrust of the English gladiator. As often as a new evasion was exposed the allied forces made a step in advance, and any hesitation which Lord ELGIN might have felt was dissipated by the capture of a body of officers and civilians who were engaged on a peaceful mission. The capture of the gates of Peking, though, unhappily, ineffectual in saving the lives of the prisoners, at once led to the conclusion of the peace which had formed the sole object of the expedition. By the flight of the EMPEROR, by the violation of the immunity of the capital, and by the exposure of the vulnerable points of the Monarchy, the Chinese have purchased the third Sibylline book in time to avert total destruction. If the conditions of peace are observed with even tolerable good faith, all reasonable Englishmen will rejoice to dispense for the future with a series of costly, unsatisfactory, and inglorious wars.

The Obituary of 1860, nappily, contains few well-known names. The statesmen of the Regency, and the lawyers who commenced their career in the reign of GEORGE III., still display undiminished vigour in the midst of a second or third generation. The House of Commons misses scarcely any familiar presence, except that of the obstinate old sailor, who incessantly denounced the shortcomings of the Admiralty and urged the increase of the Navy. Sir CHARLES NAPIER, with a small share of the intellec-

tual power of his race, possessed the courage, the energy, and the self esteem of his still more celebrated kinsmen. His election, in his old age, by a metropolitan constituency, proved that the traditional British tar is still the most popular character with the multitude, especially when he is believed to have been treated with injustice. A seaman of greater fame, and of far higher genius, died about the same time in the fulness of years. With a practicable disposition, with prudence, and, above all, with good fortune, Lord DUNDONALD might probably have rivalled the fame of NELSON, by directing against the centre of the enemy's power the vast naval force which in the latter years of the war floated idly on all parts of the ocean. The cloud of doubt which rested on a portion of his career was thought to have been cleared away by time, and by the natural diffusion of his fame. It is unfortunate that the heroism which ought to have been employed in the service of his country was wasted on the obscure struggles of Greeks and of mongrel American Spaniards.

Two Statesmen have recently passed away, leaving a general feeling of regret and esteem. Lord DALHOUSIE died in middle life, having already passed through a great career with a reputation for ability scarcely equalled among his contemporaries in public life. Lord ABERDEEN's employment in affairs extended from the end of the war with NAPOLEON to the first season of the Crimean campaign, and in youth, as in advanced years, he was dispassionate, upright, and excessive only in his uniform anxiety for the avoidance of war. No modern English Minister, with the exception of the Duke of WELLINGTON, has commanded in an equal degree the respect and confidence of foreign Courts. Modern complications of public right involving the overthrow of established dynasties found Lord ABERDEEN at an age inapt to learn, and he probably

regarded the consequent revolutions with disapproval rather than with hope. His retirement from public business relieved him from the necessity of opposing courses of action which must have conflicted with his habitual leanings. His sagacity, however, was proved by his well-known declaration that, notwithstanding the superficial differences of parties, the foreign policy of England is really always the same. The nation is at present almost unanimous in its views of the critical position of European affairs. There seems no reason to apprehend any serious cause of internal or domestic dissension, but, in the obscurity of the future, it is sufficient to record the completion of a not unsatisfactory year.

1861.

The year 1861 had, till near its close, passed over England in uneventful domestic tranquillity, and the wars and revolutions which seemed to threaten the peace of Europe had been suspended or postponed during its course ; yet no portion of a period unprecedentedly fertile of political surprises will be more conspicuous in history. The French war with Austria, and the constitution of the North Italian Kingdom in 1859, were followed in the ensuing year by GARIBALDI'S romantic enterprise and by the unexpected annexation of Naples. Common anticipation pointed to an attack on Venetia in the ensuing spring as soon as Gaëta should have fallen ; but Italy was not fully armed, and the Hungarians had not yet worked out by constitutional process the demonstration that compromise with Austria was impossible. During the interval general attention was suddenly diverted from Eastern Europe to be concentrated in the opposite direction. While the renewed cohesion of the various Italian provinces seemed to be establishing the modern

doctrine of national unity, the great American Federation, in spite of identity of race, of language, and of laws, finally burst asunder. The circumstances of the disruption were as extraordinary as the actual separation of the South from the Union, and the progress of the strange Civil War, which represents the angry disappointment of the North, has ever since been watched by Englishmen with absorbing and almost exclusive curiosity.

The absence of excitement at home has left politicians at leisure to indulge in the tempting pastime of looking from a safe shore on the troubled waters without. The Parliamentary Session passed without a Ministerial crisis, without a serious Reform Bill, and almost without a party division. Lord JOHN RUSSELL, before his withdrawal from the House of Commons, quietly repudiated further trifling with a spurious agitation, and two or three amateur projectors were seasonably reminded, by the summary rejection of their schemes, that Parliament and the country were disinclined to tamper with the representative system at a time when inexpedient changes had proved themselves also unpopular. The working classes of some of the manufacturing towns have lately been induced to enter once more into an agitation for the extension of the suffrage ; but, although a well-considered measure for the enfranchisement of the aristocracy of the operatives would be entitled to favourable consideration, the deliberate opinion of England revolts more and more against the political supremacy of the multitude. The controversy is for the present all on one side, and events supersede the necessity of argument against the pretensions of democracy. Universal suffrage is found as incapable in America as in France of vindicating constitutional rights or maintaining legal safeguards against executive encroachment. In Australia a wide franchise, protected by the ballot, ends in protective legislation

for the benefit of the dominant class, in the rapid degradation of the provincial representation, and in wanton and incessant changes of Ministry. The House of Commons was supported by universal opinion in its rejection of constitutional changes, and, in the unaccustomed absence of a Reform Bill, its tranquillity was seldom disturbed by startling proposals or by political contests. Mr. GLADSTONE had in the previous year exhausted his peculiar faculty of devising obnoxious reasons for questionable measures. In the Budget of the present year, although he again proposed the repeal of taxes, he had no longer a deficit to deal with, and he abstained from announcements that new imposts were intended to punish the rich, or repealed duties exclusively to benefit the poor. The financial scheme, fortunately, approximated to commonplace and common sense, and Mr. DISRAELI, when he hoped, by the help of an Irish job, to snap a majority, found himself compelled to defend the paradox that, although the war Tea Duty could be spared, the smaller product of the Tax on Paper was necessary to a financial equilibrium. Parliament once more represented the wish of the country, not in balancing Paper against Tea, but in preferring Lord PALMERSTON to Lord DERBY and Mr. DISRAELI. In no former Session has a well-considered choice of men more entirely superseded any comparison of measures. The Bankruptcy Bill lay beyond the region of party, and in the conflict which arose between the two Houses on its provisions the Government had little reason for triumph. No other Ministerial Bill of the year is readily to be remembered, and yet, while the professed Opposition includes nearly half the House of Commons, the Government seems as firmly seated as ever. Lord PALMERSTON, in truth, represents the precise state of the national mind in opposing unnecessary changes without setting up resistance as a

principle, and in countenancing all foreign approximations to the political theories and system of England. It is a minor merit that in all party skirmishes he opposes consummate tact to his opponent's versatile ingenuity.

The history of the year must be looked for abroad, and even France in the height of power and of apparent prosperity has been more exposed to political changes than England. The Senate and the Legislative Body, meeting on the same day with the English Parliament, were invited, for the first time since their institution, to discuss on the occasion of the Address the general policy of the Government. The decree of the previous November, which permitted a partial freedom of debate, was probably intended as a constitutional experiment, while it was more immediately suggested by a desire to conciliate general support for the Imperial policy in Rome and in Italy. The discussions in both Chambers offered unexpected encouragement to the party of sacerdotal reaction, and yet it is by no means surprising that the nominees of Prefects are not in general ardent champions of civil and religious liberty. After consulting the great bodies of the State the Emperor NAPOLEON apparently arrived at the conclusion that his temporizing policy in Italy represented not inaccurately the indifference or conflicting wishes of his subjects. A few weeks afterwards the French squadron was withdrawn from Gaëta, and at a later period the Kingdom of Italy was officially recognized. On the other hand, a final rupture with the POPE has been avoided, and the French garrison at Rome has indirectly assisted the expeditions of the half-robber, half-Royalist bands which have kept the Neapolitan provinces in a state of constant disturbance. With the docility in domestic affairs both of the Senate and of the Legislative Body the EMPEROR had abundant reason to be satisfied:

nevertheless, the growing financial pressure has rendered it necessary to volunteer a new concession. The splendour and popularity of the present dynasty have been purchased by a lavish outlay of capital. Since the fall of the Constitutional Monarchy the expenditure has exceeded the revenue by about two hundred millions sterling. The accumulated deficit, consisting of undischarged liabilities, of anticipated receipts, and of floating debt, must be provided for to the extent of forty millions. The burden is thus far not too heavy for the resources of the country, but it is evidently necessary to secure a fiscal equilibrium for the future. The EMPEROR has prudently given a skilled financier control over the expenses of all public departments, and he undertakes to allow the Legislative Body additional powers of regulating the Budget. The derangement of the finances proceeds not from any formal irregularity, but from the extravagant naval and military establishments, and from the neglect or inability of the Government to increase taxation in proportion to expenditure. The Legislative Body may, perhaps, not be able to retrench, and it will certainly not be willing to impose additional taxes. It is satisfactory, however, to observe that modern despotism in its difficulties always finds it necessary to resort to constitutional professions.

The progress of Italian unity has been steadily continued. Early in March, on the departure of the French fleet, Gaëta capitulated to the Italian troops, and shortly afterwards the citadel of Messina surrendered without resistance. As soon as the BOURBON flag had disappeared from the Two Sicilies the first national Parliament, assembling at Turin, proclaimed VICTOR EMMANUEL King of Italy. The title was at once acknowledged by England, and at a later period by France and by several Powers of the second rank. The new kingdom is rapidly con-

solidating itself by the very fact of its existence, and the authority of the Government is established in all parts of its dominions, excepting where the chronic anarchy of the more barbarous Neapolitan districts is seconded by brigands pursuing their natural profession under the auspices of priests and BOURBON agents. After the failure of several Governors of Naples, CIALDINI, as Royal Lieutenant, succeeded to a considerable extent in restoring public order. DELLA MARMORA is apparently continuing the same difficult task, and the political element of disorder must gradually diminish as the improbability of a restoration becomes more apparent. The pretender who hopes to overthrow a reigning dynasty is engaged in a more hopeful enterprise than the dispossessed Sovereign of a kingdom which has itself ceased to exist. Italy may possibly be subjected to more than one revolution, but the nation will never again in this generation submit to be divided in two. The national leaders have declared again and again that the possession of the ancient capital is indispensable to the perfect independence of the kingdom; but Rome itself would scarcely ratify the unity of Italy so effectually as the common effort of the North and South to expel the anti-national Government of the POPE. The inconsistencies of French policy in this war serve the national cause as effectually as if the popular confidence in NAPOLEON III. were fully justified by his acts.

The chief agent in the regeneration of his country lived to see his task all but accomplished. In the early part of the summer Count CAVOUR died, after a short illness, leaving the well-earned reputation of the first Italian statesman of his time. Inflexible in his main purpose, pliant in adapting his conduct to occasion, a consummate diplomatist, a great Parliamentary leader, subtle and vigilant, cautious, daring, and versatile, he realized the boast of

THEMISTOCLES by making a small State into a great one. In one respect he was distinguished from all other Continental politicians, for he knew as thoroughly as PEEL or PALMERSTON the force which a Parliament brings to the support of a Crown. Whenever he was pressed by difficulties which might well have been thought insuperable, he summoned the representatives of the country around the KING, and secured for himself their authority to speak and act in the name of the country. The seeming obliquities of his career may generally be excused or explained by the position which he occupied in the midst of allies and opponents incomparably more powerful than himself. In England, where his greatness was fully appreciated, no foreign statesman has ever been so deeply or generally regretted. The uninterrupted pursuance of his policy after his death is in itself a proof that it was identified with the welfare of Italy. His successor, Baron RICASOLI, is equally devoted to the cause of unity, though he is less popular and less fertile in expedients. In the impossibility of obtaining possession of Rome without the assent of France, the Minister appears to contemplate an attack on the Papal Power in its most vulnerable quarter. If a spiritual secession could be practically effected without the evils of a professed schism, the Holy See would find itself isolated, even though it remained in the ancient capital of Western Christendom. The threat of such a movement may, perhaps, influence the more prudent members of the Sacred College to make terms with the Italian Government whenever the ill-fated reign of PIUS IX. reaches its natural close.

The foreign policy of Italy necessarily depends in some degree on the relations of Hungary to Austria. At the beginning of the year a reconciliation between FRANCIS JOSEPH and his Hungarian subjects still appeared to be possible, but the

obstinacy of the Imperial Court, encountered by the skilful firmness of the Magyar leaders, has now completed a political rupture which only waits for opportunity to ripen into civil war. In the autumn of 1860 the Government of Vienna promulgated a Representative Constitution for all the dominions of the CROWN, which might, perhaps, have worked beneficially if it had become established in fact or in law. Hungary, however, having an ancient Constitution of its own, adapted by recent reforms to modern wants, positively declined to concede a single franchise, or to take part in the new-fangled Council of the Empire. The relaxation of the illegal despotism which had prevailed for ten or eleven years allowed the re-establishment of the county administration, and, after some opposition, the Government acquiesced in the election of the Diet under the law of 1848. Having gone so far, the EMPEROR ought, in consistency and in prudence, to have conceded the entire rights of the nation, and to have trusted to the gratitude and practical good sense of his subjects for any amendments which might be necessary for the working of the Constitution. Baron DEAK and the other leaders of the Diet, instead of wasting their strength in plots and intrigues, avowed from the first, with calculated sincerity, the full and exact limits of their indispensable demands. Themselves adhering strictly to laws and undoubted rights, they forced their adversaries to rely on expediency, on alternate threats and caresses, and even on the extravagant theory that the surrender of Villagos had abrogated all previous restrictions on the prerogative of the conqueror. The Hungarians require that the KING should be crowned after swearing to the Constitution, and they steadily refused to relinquish their claim to a separate administration of the kingdom for the purposes of war and finance. After months of idle negotiation the EMPEROR dissolved the Diet,

and he has since proclaimed martial law throughout Hungary and levied taxes by military execution. The Hungarians have, with remarkable firmness and sagacity, proved in the face of the world that the maintenance of the Austrian dynasty on their throne is incompatible with their hereditary Constitution. Their opponents, though they still retain military possession of the kingdom, are driven to put forward revolutionary sophisms of pretended conquest, or of assumed European expediency. The AMERICAN SECRETARY of STATE lately published Count RECHBERG's expression of sympathy with the Federal enterprise; and the Republicans of 1776 boast that Austria never encourages *de facto* Governments which take their origin from revolution. The Imperial title to the possession of Hungary is, nevertheless, exclusively dependent on fact, and it is wholly devoid of any colour of law. The conditions on which the House of HAPSBURG might claim to reign have been utterly disregarded, and the professed champion of legitimate Royalty has sunk into the position of a usurper.

The discontents which have displayed themselves in Poland, and even in Russia, are more unexpected and obscure. The emancipation of the serfs has probably, like all great social changes, caused suffering and discontent, while it can scarcely fail to have encouraged vague revolutionary hopes. The disturbances, however, which have occurred in the Universities of Moscow and St. Petersburg seem to have been trifling, and the disorders among the peasantry in some of the provinces are only known by rumour. The unforeseen vitality of national feeling in Poland indicates the probability of more serious changes. The severity of NICHOLAS appears to have had no effect in destroying the spirit of resistance which arbitrary government suppressed or concealed for the time. The milder administration of his successor allowed of a certain freedom of

speech and action which is now thought incompatible with the security of the alien dynasty. In Poland, as in Italy, patriotism has survived in the educated classes, and the gentry have lately exerted themselves in elevating the peasantry into a participation of their own convictions. Some of the principal nobility had made the Agricultural Society of Warsaw an organ, not of rebellion or revolution, but of an agitation for the diffusion of national consciousness and union. The Russian officials took alarm at the influence of the institution, and, in imitation of the Austrians in Galicia, they have endeavoured to represent the EMPEROR as the protector of the peasants against the tyranny of the nobles. Early in the year the Society was dissolved, and several collisions have since taken place in the streets of the capital between the foreign garrison and the unarmed inhabitants. Religious differences have been largely concerned in the quarrel, and it is not improbable that the lower classes, who might be indifferent to the independence of their country, may be rallied to the national cause in defence of the Roman Catholic Church against the Eastern schismatics. The projects of the Polish leaders extend beyond the limits of the kingdom into Posen and Galicia, and even into the Russian provinces which long before the first partition formed a part of mediæval Poland. It is evident that the success of the Italian movement has stimulated to an extraordinary degree the modern tendency of communities to group themselves anew, according to real or supposed affinities of race and language. Along the Danube and on the eastern shore of the Adriatic foreign intrigue combines with native discontent to produce revolutionary outbreaks or predatory hostilities, such as those which have been recently carried on by the warlike highlanders of Montenegro. For the present it is, fortunately, not convenient either for France or Russia to create an

Eastern question for the sake of acquiring territory or glory. Even Syria has, through the firmness and authority of Lord PALMERSTON and Lord RUSSELL, been once more left to cultivate domestic feuds, which are less dangerous to the peace of the world than a French occupation. The French financial deficit may be a blessing to Europe and to France itself if it furnishes a motive for abstaining from wars undertaken for the sake of ideas. With the exception of a remote enterprise in Cochin China, France is for the present at peace, unless the ambiguous joint expedition to Mexico should unluckily lead to actual hostilities. The feuds of the Clerical and Liberal factions in that unhappy country render an effective remedy desirable, but it is difficult to understand how it is to be secured. Spain, after once more planting her flag on the shore of St. Domingo, probably wishes to reconquer some portion of Mexico; and France, in addition to the punishment of certain wrongs inflicted on her subjects, apparently proposes to assert her influence by supporting the Clerical faction. England, with far more important pecuniary claims, inclines to the Liberal, or tolerant, party, without wishing or intending to interfere with Mexican independence. Some confidence is due to the Ministers who have projected the enterprise, but the prospect of harmonious co-operation and of satisfactory results is at present somewhat doubtful. The jealousy with which the expedition is regarded by the Government of Washington may not improbably be shared by the Southern Confederation.

The separation of the United States into two independent Republics will make the first year of the decade conspicuous in the annals of the century. The election of Mr. LINCOLN was decided in November, and South Carolina, by the vote of a Convention, proclaimed at the commencement of the New

Year her resumption of separate independence as a Sovereign State. Five other States on the coast of the Mexican Gulf followed her example in rapid succession, and in a meeting at Charleston Mr. JEFFERSON DAVIS, formerly Secretary of War to Mr. PIERCE, was proclaimed first President of the Confederate States of South Carolina, Georgia, Alabama, Florida, Louisiana, and Texas. The then Constitution of the United States, with some obvious improvements, formed the organic law of the new Republic, and the States which subsequently joined the Confederacy have approved both the choice of President and the principle of union. The Seceders took possession of all Federal property within their reach, and, with the exception of two or three fortresses, all the posts previously occupied by the United States' authorities passed without opposition into their hands. In Texas General TWIGGS, with 2,000 regular troops, surrendered to the State Militia, and the majority of officers in command were either of Southern birth or friendly to the Southern cause. Two members of Mr. BUCHANAN's Cabinet, Mr. COBB and Mr. FLOYD, appear to have been in the secret of the conspiracy, and it is universally believed by the Federalists that they furthered the design by a treasonable transmission of arms, if not of money, to the South. President BUCHANAN himself always as a zealous Democrat, closely allied to the slaveowners, affected as long as possible to blind himself to their designs, and in his last Message to Congress he threw upon the North all the responsibility of the impending crisis. Towards the close of his official career he attempted some reparation for the mischief he had caused by his weakness and partiality. Major ANDERSON, commanding the Federal garrison of Fort Moultrie, in the port of Charleston, blew up his untenable post, and removed his garrison to Fort Sumter, where he was secure from any

irregular attack. When Mr. FLOYD proposed to censure the commandant for an alleged breach of understanding with the insurgents, Mr. BUCHANAN at last saw the necessity of dismissing Ministers who were openly in league with the enemy. Mr. COBB now presides over the Confederate Senate, and Mr. FLOYD commands a brigade which has lately been operating against the Federalists in Western Virginia. The Secretary of State, General CASS, had previously resigned on the PRESIDENT'S refusal to reinforce the garrisons in South Carolina.

In the meantime the leading politicians at Washington were using their utmost endeavours in Congress to devise terms of conciliation which might win back the Seceders. Mr. ADAMS, since American Minister in England, proposed that Slavery should never be interfered with to the south of MASON and DIXON'S line without the consent of the Slave States. Mr. SEWARD, now Secretary of State, recommended the repeal of the Personal Liberty Laws, which were inconsistent with the Fugitive Slave Law, and with the well-known provision of the Constitution. It was admitted on all hands that coercion was neither possible nor justifiable, and Mr. SEWARD declared, with truth, that if the Union were restored by force it would not be worth having. The furious animosity which has since been expressed against England was in a great measure occasioned by the faith which was reposed in the unanimous declarations of all classes of politicians. English writers, expressing in June or August the belief which was universal in the Federal States during March, created an irritation in the American mind which has never since subsided. In his inaugural Address on the 4th of March Mr. LINCOLN declared his intention of recovering and keeping the property of the United States, but he abstained from any promise to re-establish the Federal Sovereignty by arms. As his language was

ambiguous, his former rival, Mr. DOUGLAS, who was soon afterwards removed by death, took the opportunity of praising the Message on the assumption that its tendency was purely pacific. Mr. SEWARD on all occasions professed to disbelieve in the fact of Secession, and apparently no politician at Washington perceived or foresaw the popular feeling which soon displayed itself in all parts of the North.

The Southern leaders were not disposed to watch the course of events with equal patience. Arkansas and Mississippi soon adhered to the Confederation, but the Border Slave States wavered. Virginia, with the cordial approval of Mr. BUCHANAN, had proposed ostensible terms of compromise; but the Free States could not have accepted the arrangement without dishonour, and the Southern Government had formed an irrevocable resolution to establish an independent sovereignty. At one time it seemed possible that a central league of Virginia, Kentucky, Pennsylvania, and part of New York might be so constituted as to exclude New England on the one side and the Cotton States on the other. At the beginning of the year prudent Northern politicians would have been content to let all the Slave States go, if they could have insured the permanent cohesion of the Federation, which would still have numbered twenty millions on the right bank of the Ohio. The same line of separation would have satisfied the leaders of the Secession, and accordingly they used their utmost efforts to force the Borderers to a decision. The Confederate Congress at Montgomery put a pressure on the slave-breeding districts of Virginia by prohibiting the inland traffic in Negroes from any outside State. At last Mr. JEFFERSON DAVIS and his colleagues determined to commence a war, in the reasonable confidence that no slaveowning community would in an event take part with the North. General

BEAUREGARD, commanding at Charleston, was ordered to attack Fort Sumter, and the garrison, after a show of resistance, capitulated without casualty on either side. The immediate result justified the foresight of the Confederate Government, but the effect which was produced on the feeling and opinion of the Northern population took all observers by surprise. Mr. LINCOLN, unable any longer to decline the challenge of his adversary, called out by requisition to the States 75,000 men for the professed purpose of putting down a domestic rebellion. As soon as his proclamation appeared, Virginia, North Carolina, and Tennessee seceded from the Union. Kentucky and Missouri refused to comply with the PRESIDENT's demands for troops. The petty State of Delaware abstained from any act of resistance to the Union; but in Maryland, and especially in Baltimore, an insurrection was only prevented by the military force which was rapidly collected at Washington to defend the seat of Government. Thus far the vigour and ability of the Confederate leaders have been rewarded by unbroken success; but, although they have never for a moment quailed during the subsequent conflict, it may be doubted whether they were originally prepared for the fierce spirit of hostility which the capture of Fort Sumter called out in the North.

The Republicans, after carrying the election of the PRESIDENT, had, as if in alarm at their own success, affected an exaggerated moderation of language. The Democrats, on the other hand, openly sympathized with the South, although they professed to deplore the actual Secession. The Mayor of New York publicly censured the police for preventing the despatch of a cargo of arms to the insurgents in Georgia, and the most popular journal in the city ostentatiously adhered to the cause of the slaveowners. The commencement of the war

curiously illustrated the peculiarities of American public opinion. Several Volunteer Regiments were forwarded in a few days from Boston and New York to Washington, and the Northern journals declared, with characteristic magniloquence, that their unopposed passage in steamboats and on railways was the most extraordinary march recorded in history. Military instincts and patriotic feelings instantaneously pervaded the whole community; and the *New York Herald* itself, in prudent deference to the threats of an excited mob, suddenly became the most uncompromising advocate of a war of conquest. The regular army, always insignificant in numbers, had been almost broken up by the Secession. The majority of the officers were of Southern extraction, and, in common with their fellow-citizens, they almost unanimously preferred their allegiance to their respective States over their legal or constitutional obligations to the remoter Government of the Union. The rank and file—consisting of Germans, of Irishmen, and of a few English deserters—were naturally impervious to the impulses of patriotism or of honour which determined the conduct of their superiors. The majority remained faithful to their colours, but, although they form the best and most trustworthy portion of the Federal army, the regular troops are all but lost among the hordes of Volunteers, and it has been found impossible to fill up their numbers by recruiting. The military spirit of the North was, nevertheless, thoroughly roused, and the enlistment of Volunteers far exceeded the PRESIDENT'S demands. Congress, meeting in extraordinary Session, voted a levy of 500,000 men and a grant of 500,000,000 dollars, and, although the finances are rapidly falling into confusion, the Northern Army now consists of 600,000 men. The extravagant boasts which have been founded on so unexpected a rapidity of armament ought to have been checked

by the consideration that the Confederate States, with less than half the population, have raised an army almost as formidable in numbers, and so far superior in efficiency that it has been victorious in almost every encounter. The general feeling, as soon as it had taken a positive direction, was flattered and stimulated to the utmost by all political writers and speakers. The North, it was said, had risen in its might; an irresistible army was assembling on the Potomac; a few weeks would suffice for a triumphant advance to Richmond, and the duration of the war, ending with the complete conquest of the Southern States, was fixed by common consent at ninety days. Dispassionate foreigners, naturally distrusting the political prophecies of enthusiastic patriots, sometimes erred in the opposite extreme by doubting whether, after all, there would be a war.

In England a general good feeling towards the North was principally founded on the national dislike to slavery. Enthusiastic Federalists perhaps injured their own cause by proving in superfluous detail that Secession was inconsistent with the letter or spirit of the Constitution. The Governments of Austria and Prussia were consistent with their own principles when they assured Mr. SEWARD of their concurrence in his denunciation of *de facto* independence. English opinion, however, is accustomed to condone the illegitimate origin of States which, after establishing their existence, are prepared to defend it. Students of history considered that Secession could by no possibility be more illegal than the revolt of the Thirteen Colonies against the English Crown. The Americans had wearied the world with their eulogies of the sacred right of insurrection, and they were unreasonable in demanding sympathy for the horror and indignation which they expressed on the unexpected occurrence of a fresh "unnatural rebellion." The

English Government was exempted from the necessity of pronouncing any judgment on the quarrel, but the Confederates announced their intention of arming privateers ; the Federal navy had not yet blockaded the Southern ports, and there was an urgent need of definite instructions to the Admiral in command of the West Indian station. A Minister must have been insane if he had regarded eleven or twelve organized States as gangs of rebels, or if he had dealt with their cruisers as pirates. The only alternative, of recognizing both parties in the war as belligerents, was deliberately adopted, in concert with the Government of France. At the same time the enterprises of privateers were discouraged by a proclamation which closed all the ports of the Empire to prizes captured at sea. The noisy declamation which has ever since been directed against the English nation and Government is not only baseless in itself, but contemptibly inconsistent when it is contrasted with the sycophantic adulation bestowed upon France after a course of conduct precisely similar. The unfriendly language of the American Cabinet and the Press had greatly cooled the goodwill of Englishmen to the Federal cause even before the commission of the outrage which has since given rise to more definite resentment.

In the presence of Civil War the American Constitution, either by its own intrinsic defects or through the feebleness and violence of its administrators, altogether broke down. The powers of the PRESIDENT, carefully regulated by a written document, include no power either to establish martial law or to suspend the writ of Habeas Corpus ; nor can Congress itself subsequently ratify any excess on the part of the Executive by a retrospective Bill of Indemnity. Nevertheless, Mr. LINCOLN suppressed newspapers by decree ; he imprisoned political opponents without accusation or subsequent

trial ; and, in defiance of the elaborate opinion of the Supreme Court, he has sometimes suspended the Habeas Corpus ; and in Washington itself, without even going through the form of suspension, he has instructed his subordinates to refuse obedience to the writ. In Maryland he has actually imprisoned the Opposition members of the Local Legislature on suspicion of intending to vote against the policy of the Government. In the same State electors are now in prison on the charge of having tendered voting tickets in favour of the wrong candidate. The North Americans would, perhaps, have the courage to resist official usurpation if it originated exclusively in individual presumption ; but Mr. LINCOLN and his advisers, though it is possible that they may hereafter be impeached for their illegal acts, are for the moment acting in concert with the majority, and they are consequently exempt from even a whisper of remonstrance. English sympathy is necessarily withheld from acts of mock vigour, which only prove the weakness of American institutions.

For some months after the commencement of the war both belligerents were employed in preparation, and the Confederate Government, in full possession of its own territories, and with an essentially defensive cause to maintain, had no sufficient motive for making a movement in advance. A few trifling skirmishes, terminating for the most part to the advantage of the Southern troops, had little tendency to influence the general result of the campaign. The journals of Boston and New York clamorously demanded the fulfilment of their own unauthorized promises, and early in August the Federal army incurred an inevitable and ignominious defeat in an imprudent assault on the enemy's position on the south of the Potomac. The panic and flight of the undisciplined assailants might have been anticipated, but history furnishes no precedent

for the deliberate march to the rear of Volunteer regiments, who, by a slight manipulation of doubtful dates and figures, proved to their own satisfaction that their period of service had expired on the morning of the battle. Pennsylvania, which had previously sold its vote to the Republicans for a protective tariff, contributed a large portion of the citizen soldiers who turned their backs on the enemy before their comrades, with a better excuse, ran away. The defeat has to a certain extent served the Federal cause by diminishing the influence of agitators and civilians. General M'CLELLAN, who is called "the Young NAPOLEON," in consideration of his possible future exploits, has since the Battle of Bull's Run employed himself in fortifying his position and in drilling his insubordinate battalions. The lower course of the Potomac is closed by the Confederate batteries, and the army is dependent for its supplies on a single railroad. The vast levies of the Northern States have sufficed to protect Washington from attack, and they have retained Maryland in unwilling subjection. The Federal Government has profited by the undisputed command of the sea to establish over the Southern ports a blockade, which the courtesy of European Powers has, notwithstanding its incompleteness, carefully respected. Two or three points on the Southern Coast have been occupied by the Northern forces, and the whole seaboard is exposed to well-founded alarms.

In Kentucky and Missouri conflicting local interests have given rise to undecisive campaigns. It seems probable that in the course of the struggle the Border States will alter their limits, for the highlands of Western Virginia and Eastern Tennessee, with some portions of Missouri and Kentucky, are unsuited to slave labour, and their inhabitants are consequently opposed to Secession. General FREMONT, appointed to a command in the

valley of the Mississippi, attempted to create for himself a separate political interest by proclaiming, in defiance of the law and of the express orders of the PRESIDENT, the emancipation of the slaves of insurgents. No policy could be more fatal to any hopes of restoring the Union, and, if the Confederates had before wavered, they would now have been immutably resolved on the maintenance of their separate independence. Although General FREMONT has been recalled, the SECRETARY for WAR has avowed the policy of forcible slave emancipation; while the PRESIDENT more prudently withholds his decision, to watch the further progress of events. Only a year ago all the Republican leaders were pledging themselves with frantic eagerness to maintain all the Constitutional guarantees of slavery. A short time has sufficed to raise the insignificant sect of Abolitionists into a formidable party; and when the Federalists finally despair of the reconquest of the South the emancipation of the slaves may probably be proposed as an instrument of war, or merely for purposes of revenge.

The lawless seizure of the Confederate Commissioners during their passage to Europe in an English mail-packet is fresh in the memory of all. The folly and crime of the blunder might have been attributed to the officer in command, but the reception of Captain WILKES on his arrival in America showed the prevalence of the vulgar prejudice against England, on which he perhaps relied for support and reward. A dozen towns, including the capital, in the enlightened State of Massachusetts, presented the fortunate commander with their freedom, in acknowledgment of an act which was either insignificant or illegal. The Governor of the State was not ashamed to express his satisfaction at the affront which had been offered to that which he called "the British Lion," although it was evident that, if the seizure had been regular, there would

have been no insult to resent. The House of Representatives, as soon as Congress met, passed a vote of thanks to the captor, and the PRESIDENT himself allowed the SECRETARY of the NAVY in his Report to give official approval to Captain WILKES' misconduct. The news of the seizure was, fortunately, received by the English nation in a different spirit. Although the merits of the question lay on the surface, public indignation was by an effort suspended until legal researches had placed the wrongful nature of the act beyond all reasonable doubt. As soon as the justice of the threatened quarrel was ascertained, the determination of the Government to exact due reparation was unanimously approved. Neither the suspension of the export trade by the iniquitous MORRILL Tariff, nor the interruption of the import of cotton, had induced the Government or the country to deviate from a religious observance of neutrality. The offensive bluster of American journalists had been treated with contempt, and it was only when it became necessary to vindicate the national honour that all classes were at once prepared for the sacrifices of a war which could scarcely be either profitable or glorious. Foreigners will probably misconstrue the general readiness for war, but it may be truly asserted that the public feeling was wholly uninfluenced by any consideration of Southern cotton. Many economists would, even on commercial grounds, have been content to submit to a temporary inconvenience for the sake of producing an independent cotton trade from India and from other sources of supply.

Although the industry of Lancashire has been checked, the year has, on the whole, been fairly prosperous. A harvest of average quantity and of good quality succeeded to the failure of the previous year, and the modifications of the French Tariff have, in the encouragement of the woollen trade,

furnished a partial compensation for the high price of raw cotton, and for the diminished export of the completed fabric. The perfect tranquillity of the country continues to illustrate the beneficial tendency of modern legislation, and the absence of all desire for constitutional changes is proved as often as an attempt is made to revive political agitation. A Reform movement attempted during the autumn in Yorkshire failed to interest the northern operatives, and even in Ireland the expression of discontent has been confined to demagogues who render sedition harmless by exaggeration and buffoonery. The distant parts of the Empire have for the most part shared in the tranquillity of the United Kingdom. India is apparently approaching to a financial equilibrium, and the famine, which occasioned reasonable anxiety in the early part of the year, was relieved by the abundant rains of the summer. New Zealand has, unfortunately, been disturbed by a war with the natives, which will assuredly end in the re-establishment of the Royal authority after a tedious and wasteful expenditure of life and money. All the remaining Colonies are, happily, at peace, though some of the Australian Legislatures are beginning to exemplify the natural tendency of excessively Democratic Constitutions.

While Europe has been exempt from pestilence and war, the year has been unusually fatal to persons who were eminent by position or by character. Three Continental Thrones have been vacated by their occupants, and some of the changes will probably produce tangible political results. The young King of PORTUGAL had scarcely had time to display the qualities which his subjects believed him to possess. His COBURG descent increased the probability of his possessing intelligence and ability, and some members of the Royal House of BRAGANZA have risen above mediocrity. The Sultan ABDUL

MEDJID, though he had scarcely attained middle age, had long survived the hopes which were founded on his gentle character and on his supposed good intentions. The son of a sanguinary, reforming despot, his exemption from his father's faults formed an insufficient equivalent for the absence of the vigour which he might have inherited. Of two Oriental types of vice he exhibited the weak self-indulgence which injures a half-civilized people more than the energetic ferocity of prosperous despots. Under the influence of Western statesmen ABDUL MEDJID promulgated wise and tolerant laws, nor is there any reason to doubt that he was sincere in the wish to improve the condition of his subjects. Unluckily, he allowed women to waste his revenues and favourites to hold the highest posts in his Empire. His army languished for want of pay and of competent leaders, while the finances were disorganized by carelessness or fraud, and drained to meet the frivolous demands of the Palace. His successor is more respectable and manly in his personal character, but the decay of the dynasty and Empire is probably beyond a cure. The King of PRUSSIA, after long seclusion from public affairs, has left the throne to the brother who had for some time administered the Royal prerogative. WILLIAM I. has thus far scarcely justified the expectations which were founded on his experience as a politician and a soldier. Both in foreign and domestic policy he appears to waver between two opposite systems. After addressing his army in terms which were thought to imply a menace of war with France, the KING paid a complimentary visit to the Emperor NAPOLEON at Compiègne. Continuing the ancient rivalry of Prussia with Austria, he has nevertheless refused to acknowledge the Kingdom of Italy, and the national German party, represented by the Duke of SAXE-COBURG, is still uncertain whether Prussia is disposed

to accept the leadership of the petty Principalities. At the coronation at Königsberg, and on subsequent occasions, the KING has shown an unexpected leaning to the romantic pedantry which made his brother ridiculous. The KING, who deduces practical conclusions from his titular enjoyment of the grace of God, might as reasonably argue that a Duke must be entitled to lead an army, or a Marquis to protect a frontier district. It is absurd to assume that the Elector of BRANDENBURG acquired a mystic and supernatural attribute when he chose, a hundred and sixty years ago, to erect the Duchy of Prussia into a kingdom.

In England deep regret was felt for one of the most popular of the statesmen of the time. Before the commencement of the Parliamentary Session Lord HERBERT retired from the House of Commons, and it would have been well if at the same time he could have made up his mind to give himself absolute repose. Before the Recess arrived he was at last forced to resign the Secretaryship of War, and a few weeks later he sank under a fatal disease. His rank, his fortune, his personal advantages, and the peculiar charm of his manner had given Mr. SIDNEY HERBERT every advantage which could aid a political career, and it was his chief merit that, instead of relying on adventitious accomplishments or opportunities, he devoted himself with untiring industry to public business. It was thought by many that he would have attained the highest post in the country, and he had greatly increased his previous reputation during his tenancy of the War Office. The sudden and unexpected interruption of his prosperous career produced general regret beyond the wide circle of his personal friends and admirers. A less profound emotion was caused by the death of Sir JAMES GRAHAM. Although at an advanced age, he was still one of the ablest of contemporary politicians. An

effective speaker, and sometimes a vigorous party leader, Sir JAMES GRAHAM possessed more weight in council than even in debate, while his authority in the House of Commons was utterly disproportioned to his popularity in the country. In the political combinations which he joined he was generally second in influence to the leader, and almost all those who were accustomed to act with him thought that his abilities were superior even to his great reputation. The frequent changes of his opinions proceeded, perhaps, from unconscious indifference to political theories. The same character of mind may in some degree account for a well-known timidity in decision, which occasionally displayed itself in the form of precipitate rashness. As an able administrator, a skilful Parliamentary tactician, and a useful partisan, Sir JAMES GRAHAM, if he failed to reach the highest ranks of statesmanship, possessed in all things the value of efficiency. Somewhat earlier Lord CAMPBELL died, at an age which would have been called extreme if it had been attended by decay either of body or of mind. His strong understanding and resolute purpose had given him a life of steady advancement and of unbroken prosperity. Even in literature he succeeded in acquiring a certain popularity, notwithstanding the inelegance of his style and in spite of his neglect of historical accuracy. As a politician, he merely adopted the creed of a party, but in his own profession he deserved all the eminence which he acquired. At the Bar he was a sound lawyer and effective advocate, and as Chief Justice of England he proved himself one of the greatest Judges who have sat on the bench in the present generation.

The year ends sadly with the unexpected and irreparable loss of the PRINCE CONSORT. His virtues and his services have been so lately the subject of full and mournful comment that any detailed notice of the great misfortune which has been incurred would

involve wearisome repetition. No obsequies were ever celebrated with a more sincere or unanimous concert of lamentation and merited praise. The progress of England is not dependent on the lives of Statesmen or of Princes, and there is reason to hope that many successive years will continue to witness the development of freedom and greatness, which has for a long period never been interrupted. Yet, whatever may be the circumstances or difficulties of the future, one resource will be no longer available to the nation, since the wise counsels of the nearest adviser to the CROWN have become for ever silent.

1862.

The memory of the year which ends this day will hereafter be chiefly associated with the American Civil War and with its consequences at home. The disastrous suspension of the great industry of Lancashire would of itself have directed universal attention to the violent interruption of the supply of cotton ; and, even if Englishmen had been disinterested spectators of the conflict, the character of the belligerents and the nature of their complicated quarrel would sufficiently have accounted for the excitement of passions and sympathies which have in some instances degenerated into misplaced but excusable partisanship. Identity of language confers a domestic vividness and reality on the principles and pretexts by which both the hostile Republics account for the bitterness of their internecine struggle, and the questions which are really or apparently involved in the controversy are themselves of paramount importance. The tendencies of Democracy, the evils of Slavery, the legal rights of Governments, and the legitimacy of resistance have been discussed with unwonted vehemence as issues which seemed about to be determined by the

fortune of war ; but collateral disputes on the actual meaning and purpose of the contest have added little to the completeness of Lord RUSSELL's early statement, that the North was fighting for empire and the South for independence. The causes of a war are generally distinguishable from its practical objects, and they have little bearing on its ultimate results. Astute interpretations of the Constitution of 1787 possess but a feeble interest for the observer, who seeks to learn, not whether the Southern Confederacy ought to have been established, but whether it will succeed in resisting the power of the North. The wishes of neutral foreigners during an alien struggle ought to be absolutely subordinate to observation and probable induction ; yet it was impossible that the American War should be regarded by England with the dispassionate calmness of a naturalist engaged in the study of some physical process. One numerous party had converted the triumphant progress of the United States into the symbol of a political faith, while their extreme opponents regarded with distasteful jealousy the apparent success of Democratic institutions. Although the community is unanimously averse from slavery, the majority understood the Federalists were not fighting for the freedom of the negro ; but an active section of philanthropists willingly assumed that the North was more or less consciously engaged in the cause of Abolition. If the dominant faction of Republicans could have suppressed its insane antipathy to England, a preponderance of friendly wishes, if not of sanguine anticipations, would have permanently inclined to the North. Indignation at unprovoked abuse, only mitigated by contempt, has, perhaps, caused Englishmen to appreciate more readily the heroic energy of the Confederates, as they have won victory after victory over an enemy immeasurably superior in all the resources of war except in the moral and mili-

tary qualities of statesmen, of generals, of officers, and of soldiers. The Government has only obeyed the general feeling of the country in abstaining from direct or indirect interference in the quarrel, but no crisis in modern times has been so anxiously watched, nor has any European war or revolution so seriously affected the interests of England.

In calmer times the year would have been sufficiently marked by the curious episode of GARIBALDI'S enterprise against Rome, by the rupture between the King of PRUSSIA and the Chamber of Deputies, and by the dethronement of OTHO in Greece, with the subsequent nomination of Prince ALFRED. The progress of Italy towards unity and order has of late not been accelerated, although the mere lapse of time and continuance of possession confirm the advances which have been made. Baron RICASOLI, who succeeded to office on the death of CAVOUR, while he commanded respect at home and abroad, was perhaps deficient in versatility and adroitness. By too openly directing the ambition of his countrymen to the acquisition of Rome he seems to have incurred the displeasure of the Emperor NAPOLEON, and, unluckily, his aristocratic rigidity of self-respect involved him in personal collisions with his own SOVEREIGN. In the course of the winter RATTAZZI was received with significant favour at the Court of the Tuileries, and he took a public opportunity of expressing in the strongest language the gratitude of Italy for the services of France. On his return to Turin he was understood to have acquired the confidence of the Palace, and in a short time the resignation or virtual dismissal of RICASOLI made way for the appointment of RATTAZZI as principal Minister. Some sensitive minds were scandalized by a transaction which seemed to partake of the nature both of a foreign and domestic intrigue; but RICASOLI was neither generally popular nor remarkably successful in his

internal administration ; RATTAZZI was the most skilful Parliamentary leader and orator ; and the practical tact of Italian politicians is shown in their unwillingness to impede the formation of any practicable Government. The new Minister, finding that he was not heartily approved either by the Chamber or by the country, thought it desirable to rally the so-called " party of action " to his side by vague overtures to GARIBALDI. The inextricable misunderstandings which have ensued were implicitly involved in the contrast of two opposite types of character and of intellect. The simple-minded hero only understood his solitary function of fighting for the unity and independence of Italy, and the cultivated and dispassionate intellect of the statesman was incapable of comprehending a total absence of complex motives, of selfishness, of reflection, and of prudence. To this moment GARIBALDI regards the attempt to profit by his reputation as the result, not of imperfect and ill-formed astuteness, but of wilful and criminal treachery. If the Minister wanted to attack any foreign enemy, GARIBALDI was at his service ; but it was intolerable that he should be summoned from Caprera when Venice and Rome were to be left peaceably in the hands of foreign garrisons. It is not certain whether he received from the KING deliberate encouragement in projects which must have been utterly repugnant to RATTAZZI's political habits of thought. It soon became necessary to suppress an organization of Volunteers which was destined for an attack on the Austrian garrison of Venetia, and, after loud expressions of dissatisfaction, GARIBALDI proceeded through various Italian towns on his way to the island in which he had commenced his former famous expedition. Hoping to pacify or to win over his formidable confederate, RATTAZZI allowed PALLAVICINO, an avowed follower of the great partisan chief, to retain the principal

office at Palermo. At the meeting of a rifle club in the same city GARIBALDI appeared by the side of the heir apparent to the Crown, and openly announced his intention of engaging in a campaign of liberation, which, according to varying rumours, was to be directed against Turkey, against the Adriatic provinces of Austria, against King Otho, and against Rome. Even after the purpose of conquering the Italian capital was publicly avowed, the Minister, or his subordinates, continued to temporize, while independent action rapidly ripened into rebellion and civil war. Having once conquered a kingdom as an independent adventurer, amid the applause of Italy and Europe, GARIBALDI believed that patriotic motives were paramount to law, although he was commencing a private war in the dominions which he had himself bestowed on the Sovereign of his choice and his affections. From the centre of Sicily to the coast he led an irregular band, which seemed to dissolve all resistance by its approach, and he crossed to the mainland in the hope that by some miraculous process the French army also would melt away from his undisciplined levies. Before he could penetrate into the interior of Calabria his hopes were rudely undeceived by the discovery that LA MARMORA and CIALDINI were not made of the same materials with the complaisant Prefects and Generals of Sicily. At Aspromonte GARIBALDI was captured and, unfortunately, wounded, before he had time to do irreparable mischief by a hopeless collision with the French. His personal sufferings have excited popular sympathy throughout Europe. Universal opinion demanded an amnesty for the hero, who was raised by his former exploits above those ordinary rules of judgment which his understanding fails to apprehend. GARIBALDI is now at liberty, not without loss to his reputation, but Italian feeling has with reason vented its irritation and disappointment on a

Minister whose policy had been at the same time insincere and unlucky. After the untoward collision between the Royal troops and the Volunteers at Aspromonte, the Emperor NAPOLEON induced both Russia and Prussia to recognize the Kingdom of Italy. Somewhat later he published an oracular letter and an indefinite Ministerial despatch on the continued antagonism between Italian claims and Papal protests ; and, finally, the substitution of M. DROUYN DE LHUYS for M. THOUVENEL in the Foreign Office at Paris was regarded as an announcement of the indefinite continuance of the French garrison at Rome. When the Parliament met at Turin in November, it was at once evident that the popular dissatisfaction could only be appeased by the fall of the Minister. After an animated debate of many days, RATTAZZI anticipated a vote of censure by resigning, and some anxieties were removed by the constitutional acquiescence of the KING in the decision of the Parliament. FARINI, who was appointed President of the Council, has succeeded in forming a respectable Cabinet, and as he is not embarrassed by the personal complications which hampered his predecessor, he will be able to pursue an expectant policy without offending the self-respect of the nation.

With one remarkable exception, the course of revolution has been suspended during the year. While the sullen discontents of Poland and Hungary have smouldered beneath the surface, an unexpected movement has revived the interest of the last generation in the fortunes of Greece. The agitation which prevailed on several of the frontiers of European Turkey was not unreasonably attributed to foreign intrigue. The highlanders of Montenegro, resuming their chronic hostilities, were at last defeated by the Ottoman troops ; and the Servians, in obvious concert with their neighbours, found pretexts for attacking the Turkish garrison

at Belgrade. A conspiracy in Greece, connected by vague rumour with the projects of GARIBALDI, exploded in a military insurrection at Nauplia, which was terminated, after a considerable interval, by submission and amnesty ; but while the Court was endeavouring to coerce or cajole the revolted regiments, the whole community seems to have discovered that it was unanimous in desiring a change of dynasty. In a reign of more than 30 years King OTHO had done nothing to satisfy either the reasonable demands or the ambitious dreams of his subjects. If the KING had been vigorous and able, considerable obliquities and irregularities would have been willingly condoned, or perhaps admired ; but a Government which ruled by corruption, without securing order at home or respect abroad, provided by its illegal excesses a pretext for punishing its incapacity. The Greeks had aspired to revive the Eastern Empire before they had learnt to govern their own petty dominion. The disappointment of their hopes has driven them to reflect on the cause of their failure, and, as became a quick-witted people, they have known how to profit by two striking and recent lessons. The stern suppression by England and France of their enterprise against the Turkish provinces in 1854 convinced them of their error in placing themselves under the protectorate of Russia. From the example of Piedmont they learnt that the true nucleus of an Imperial nation was a free and well-governed State, to which outlying portions of the same race might legitimately gravitate. Accordingly, the Greeks determined on a political reform, which necessarily involved the removal of the Bavarian dynasty, and they took advantage of the same opportunity to bid high for the goodwill of England. The feeble OTHO, who reigned only for the sake of reigning, had undermined his throne by the fatal folly of promoting favourites and flatterers on

the ground of their supposed devotion to his person. Surrounded by courtiers, he had lost all hold on the people, and, having left his capital for an autumnal journey to the Peloponnesus, he found himself suddenly and irrevocably deposed. Having accomplished an easy and pleasant revolution, the Greeks unanimously determined to avoid the dangerous experiment of a Republic, and as a symbol of their faith in the most orthodox traditions of constitutional freedom, they resolved on offering the crown to Prince ALFRED of England. They have no cause for regretting the reasons of State policy which prevented the English Government from accepting the proposal. Greece especially needs a real ruler of mature years ; nor would it have been expedient to furnish France and Russia with pretexts of dissatisfaction. The offer, however, has produced one of its intended results, in conciliating the good wishes of Englishmen, more especially because the choice is regarded as a pledge of domestic improvement. When the Kingdom of Greece, with room for five times its present population, has approximated even distantly to the condition of an Eastern Belgium, the great Oriental question will have received a theoretical solution which may easily be translated into fact.

In other parts of Europe events have moved more slowly, although some of the great questions which are pending have received a definite solution. The Russian Government is occupied in checking the exaggerated claims of the emancipated peasantry, in discouraging the political demands of thenobility represented in their Provincial Assemblies, and in contending with the national disaffection of Poland. The Grand Duke CONSTANTINE has hitherto not succeeded in conciliating the Polish gentry, and the Imperial Government has, through subordinate agents, engaged in a strange controversy of pamphlets, in the hope of persuading the peasantry

that the Poles themselves are but an intrusive oligarchy, established by conquest, in the midst of a Russian population. At home the Emperor ALEXANDER is more creditably employed in internal reforms, which may, perhaps, become real as they gradually entwine themselves with the habits and inclinations of the people. Corporal punishment is to be abolished, trial by jury is to apply to ordinary offences, and the irresponsible power of the police is, in certain cases, restrained. The request of the Provincial Assemblies for the institution of unpaid magistrates after the English fashion will probably not be conceded by the Government. There is, however, reason to believe that the EMPEROR, although he may be jealous of political power, is sincerely anxious to improve the administration and the social condition of the Empire. The collapse of the financial and military system in consequence of the Crimean War has happily interrupted the policy of aggrandizement which no Russian Government will finally renounce. Other Northern States, comparatively remote from general observation, share in the general activity of the age. Denmark is still occupied in resisting German interference in Schleswig, and the King of SWEDEN and NORWAY has revived the efforts of his predecessor to effect a Parliamentary reform in Sweden as the first step to a complete union with Norway. The project involves a diminution of the power of the nobles; and the Democratic Party supports the KING's proposals, especially as the union would tend to propagate in Sweden the Republican institutions of Norway.

In Austria Constitutional Government might seem to be taking root, if the most important part of the Monarchy were represented in the Council of the Empire. The quarrel with Hungary, though it has been kept in abeyance, has not even approximated to a solution, and Venetia refuses all concilia-

tion, so that the EMPEROR is in the anomalous condition of reigning over one-half of his dominions by military force, while he is allowing the German and Bohemian representatives a new influence in the conduct of affairs. In the minor States of Germany the authority of Austria has increased, in consequence of the internal dissensions which impair the credit of Prussia. King WILLIAM has disappointed the expectations which were founded on his moderation as Regent and on his undoubted patriotism. It was erroneously supposed that an utter absence of the intellectual brilliancy of his brother furnished a negative security against the mystical imbecility which had rendered the former reign inglorious. Unfortunately, it is found that genius is not indispensable to absurdity, for the commonplace soldier now on the throne has assumed to himself the character of a supernaturally inspired martinet. Having thought it expedient to increase the numbers and efficiency of the army, he is incapable of understanding that the representatives of the people have a right to withhold their assent even from a beneficial project. Two changes of Ministry, a dissolution, and an angry prorogation have for the present suspended open opposition, without affecting in any degree that control over taxation on which the result of the struggle will necessarily depend. In the meantime the KING argues the question with an undignified eagerness which would be scarcely excusable if he possessed the rhetorical fluency of his more gifted brother. Instead of practising the pre-eminently Royal virtue of silence, the KING, with feverish iteration, repeats to provincial deputations apologies for his conduct, which have suggested comparison with the popular type of muddle-headed confusion which at present adorns the English stage. The KING assures his people that he will maintain the Constitution, but he warns them that for the present they must to

exercise their constitutional rights. No ingenuity can explain the elixir of divine right which has retained its virtue since the KING's ancestor distilled it for his coronation at Königsberg a century and a half ago. By studying the example of a still more modern potentate in his immediate neighbourhood, King WILLIAM might discover that the ostentatious assertion of personal claims is not the most effective mode of securing unrestricted power. The Emperor of the FRENCH is the more completely exempt from dependence on the opinions of his subjects because he prudently professes to derive his title from the will of the people.

When the French Senate and Assembly met in February M. FOULD had lately published his bold exposure of the confused and unsatisfactory state of the finances. His Budget involved a small increase of taxation, a partial reduction of expenditure, and a financial operation, which has been since successfully effected. By the Conversion of the Four-and-a-Half per Cents. into Three per Cents., the Minister, in effect, borrowed about £6,000,000 in the form of premiums from holders who took advantage of a beneficial offer. In return for an immediate gain, the State has parted with the right of reducing the interest by payment at par, and it is possible that the marketable value of the ordinary stock may have been incidentally increased. The French have by no means attained a regular equilibrium of receipt and expenditure, and it is scarcely possible that the charges of the Mexican expedition can be met without additional derangement. The Convention of London concluded by Spain, France, and England in 1862 was practically dissolved, almost as soon as the allied forces landed in Mexico, by the inevitable divergence of political systems which had been artificially combined. England, having no object except to exact satisfaction for the outrages inflicted on British subjects,

sent only a naval force, with a small contingent of Marines, to support negotiations either with JUAREZ as actual President, or with any Government which might take his place. Spain, who had shortly before recovered her ancient colony of San Domingo, excited the jealousy of France by pushing forward her armaments from the Havannah ; and it was considered necessary, in consequence, to double the French contingent, with ulterior views, which were soon found incompatible with the concerted action of the three Powers. The Emperor NAPOLEON had formed the strange design of constituting a kingdom in Mexico under the Archduke MAXIMILIAN ; and General ALMONTE, on behalf of the Clerical or anti-Liberal faction, had assured him of the co-operation of the Mexicans themselves. The English Government, without participation in the project, offered no objection to any arrangement which might at the same time satisfy Mexico and provide for the restoration of order. The Spanish Commander-in-Chief, General PRIM, a daring and ambitious soldier, loudly disapproved a scheme which might convert Mexico into a dependency of France. These dissensions were brought to a crisis by the submission of the Mexican Government to all the demands of the Allies. The English and Spanish Plenipotentiaries at once accepted the satisfaction which was offered, and Admiral DE LA GRAVIÈRE, on behalf of France, apparently concurred in their decision. Shortly afterwards M. DUBOIS DE SALIGNY, who was more confidentially familiar with the EMPEROR's policy, repudiated the pacific language of his colleague, and announced his determination not to treat with the Government of JUAREZ. As the French pretensions received no colour from the Convention of London, the English Minister necessarily withdrew from the further prosecution of hostilities, and General PRIM, after a bitter personal rupture with

M. DE SALIGNY, re-embarked his forces to Cuba, and himself returned to Europe. When the dissolution of the alliance was known in Paris, General LORENCEZ was ordered to march upon Mexico for the purpose of enabling the nation to decide on the form of Government which it might prefer. The practical freedom of choice was illustrated by the presence of ALMONTE at head-quarters, and by the exclusion of the existing Government from the list of alternative solutions. General LORENCEZ appears to have displayed zeal and ability in the execution of the Imperial orders ; but his force was not large enough to maintain his communications with Vera Cruz, and in May, after receiving a serious check from the Mexican troops, he was obliged to halt at Orizaba, where he has gallantly maintained himself through the summer and autumn. General FOREY has now taken the command of a largely-reinforced army, and he will probably fight his way to the capital, so as to vindicate at the same time the military honour of France and the political independence of Mexico. The further objects and prospects of the EMPEROR's paradoxical policy can only be referred to conjecture. It is supposed that the nomination of the Archduke MAXIMILIAN is abandoned, and vague rumours point to the establishment of a French Viceroyalty in Mexico, to the conquest of Sonora, to the realization of the EMPEROR's early projects in the Isthmus, or to an alliance with the Southern Confederacy against the Government of Washington. It is remarkable that the enterprise, although it savours of aggression and conquest, is unpopular with all parties in France, except with the busy Ultramontanes. French Liberals object to an alliance with a corrupt and bigoted clergy, to the coercion of the Mexican nation, and, above all, to the supposed gratification which may be afforded to English jealousy. M. FOULD is probably not less earnestly opposed to an unnecessary and costly

war, which must necessarily postpone to an indefinite period the restoration of a financial balance. In Italian as well as in Mexican affairs the Emperor NAPOLEON has lately seemed to lean to the clerical and reactionary party, which is now represented in the Press by M. DE LAGUERONNIERE, the confidential author of more than one official pamphlet. The substitution of M. DROUYN DE LHUYS for M. THOUVENEL, and the recall of M. DE LAVALETTE from Rome, tend to discourage the hopes of Italy ; but, on the other hand, it is observed that Prince NAPOLEON continues to support a Liberal policy, and it is thought not altogether improbable that the two conflicting opinions may equally lay claim to Imperial inspiration and favour.

The internal history of the United Kingdom has presented little excitement or variety. The recent death of the PRINCE CONSORT shed a gloom over the early part of the year, and his loss materially affected the brilliancy and prosperity of the Exhibition. Nevertheless, the great collection at South Kensington attracted for six successive months an uninterrupted stream of visitors from the country and from the Continent, as well as from London itself. The spectacle was less picturesque than the previous show in 1851 ; nor was it possible that it should suggest illusions of universal peace, to be founded on unlimited commercial intercourse. Yet the collection was richer and more complete than the former Exhibition, and competent judges were not dissatisfied with the intermediate progress of art and industry. The advance of commercial liberality was marked by the unrestricted admission of all manufactured articles from every part of the world. In 1851 it had been necessary to make special arrangements for the importation of dutiable commodities, which might otherwise have competed unfairly with the ordinary stocks of merchants and

dealers. In 1862 protection to native industry had been so absolutely extinguished that the foreign contents of the Exhibition were at its close for the most part sold on the spot without supervision or interference by the officers of the Revenue. The pecuniary success of the undertaking has not been thought encouraging to the promoters of future Exhibitions, but if the customary splendour and hospitality of the Court had not been necessarily suspended, a large addition would have been made to the receipts. The distress of the cotton trade in Lancashire also deprived the Exhibition of at least half a million of its most curious and intelligent visitors. When an extraordinary crowd of strangers is again attracted to London, it may be hoped that some relief will have been afforded to the intolerable inconvenience of the crowded thoroughfares. The railway which is to unite the West and North of London with the city is now completed ; and the plan of the long-debated Thames Embankment is finally settled.

The Parliamentary Session had raised few political questions ; and in its results it had only determined the prolongation of public confidence in Lord PALMERSTON'S Government. In foreign affairs the national policy of non-interference and of goodwill seems to become partially appreciated in Europe, and perhaps it may ultimately live down the furious prejudice of America. Italy already prefers the respect and friendly equality of England to the capricious patronage of France ; and the selection of an English Prince for the vacant throne by the unanimous population of Greece proves that quiet and unaggressive strength, combined with jealous maintenance of freedom, may impress even Oriental imaginations as forcibly as the military ostentation of despots and of conquerors. The prudent refusal of the Greek Crown, even if it is not followed by the surrender of the Ionian Protectorate, ought in

some degree to appease the jealousies which the unexpected proof of English influence may not unnaturally have excited. Towards Federal America the conduct of England has been systematically just, and even delicately considerate. The markets of the Empire have been freely open to both belligerents, and the Northern Federation, possessing the exclusive command of the sea, has profited far more largely than the South by the trade in munitions of war. The resolute indifference of the country and Government to the frantic threats and vituperation of the Federalists has perhaps been in some degree facilitated by a profound contempt for irrational and childish injustice. It cannot, however, be denied that, with the exception of a few paradoxical theorists, and of the small faction which vents its anger through Mr. BRIGHT, the misconduct of the North and the military qualities of the Confederate army have produced a general sympathy with the cause of Southern independence. The Secession, which was at first universally regarded as illegal and inexpedient, has justified itself by heroic perseverance, and by the fact of its continued existence.

During the autumn public attention has been chiefly directed to the distress in Lancashire, and to the increase of crimes of violence, with the inferences which bear upon penal legislation, and especially on prison discipline. The cotton mills, which had for some months been working only half-time, have since been so far closed as to throw the great mass of the working population on their own resources, and, consequently, on the liberality of their countrymen. Mr. VILLIERS's Acts, by which Rates in Aid may in certain cases be levied, and loans raised on the security of the rates, can only come into general operation when the averages of the autumn quarter show the prescribed increase in the parochial burdens. It was in any case neces-

sary that the ratepayers should be largely aided by voluntary contributions, and thus far the liberality of the community and the organization of its charitable efforts have not been wanting to the occasion. The Central Committee of Manchester, under the appropriate presidency of Lord DERBY, is dispensing, with prudence and good judgment, more than half a million, which has been subscribed either in Lancashire itself or in the country at large. Another agency of collection is furnished by the LORD MAYOR'S Committee, which has already forwarded to the distressed districts nearly £300,000 in money, besides large amounts of clothing and of other necessities. The conduct of the operatives themselves has been exemplary beyond precedent or expectation, and there is no doubt that their admirable patience is mainly due to the intelligence which teaches them that their sufferings are caused neither by misgovernment nor by the injustice of the more fortunate classes. Mr. COBDEN, and, in an interval of candour, even Mr. BRIGHT, have acknowledged that the workmen of Lancashire are satisfied and conciliated by the cordial sympathy, even more than by the profuse generosity, of all ranks and parties of Englishmen. No great misfortune has ever brought with it so abundant a moral compensation in the discovery of kindly relations among different sections of the people, and in the display of manly virtues among the immediate sufferers.

The atrocious robberies which have become common in the most public parts of London suggest no satisfactory reflection, except the belief that the evil is capable of abatement. The perpetrators belong, in almost every instance, to the criminal class which has of late years been unduly petted and pampered in prison, and afterwards prematurely released without sufficient security against relapse. Notwithstanding the prejudices of official

philanthropists, there can be no doubt that the practice of violent assault and robbery will be met by increased severity of treatment in prison, even if it is found impossible once more to adopt on a large scale the convenient remedy of transportation. Modern benevolence had almost forgotten that punishment is the proper reward of crime, and that, after justice, prevention is a principal consideration in the treatment of offenders. For a time, at least, the business of reforming criminals will be relegated into the secondary and incidental place from which it has emerged into disproportionate prominence. In their desire to be safe, men will once more cherish righteous indignation, and it is impossible that they can find a better occasion for the exercise of their lawful wrath than the enemy of 'his species who maintains himself by the practice of the garotte or by the use of the murderous life-preserver.

The list of conspicuous deaths is unusually scanty. Lord CANNING fell a victim to the Indian climate shortly after his return to England, leaving the reputation of an industrious and conscientious public servant, though he had not attained the highest rank among statesmen. In the troubles which rendered memorable the commencement of his Viceroyalty, and in the prosperity of its close, his principal merit was undaunted resolution and steady devotion to duty. If his life had been spared, his official experience and his knowledge of Indian affairs would, probably, have enabled him to render useful service to the State. Literature has sustained a serious loss in Mr. BUCKLE, who died, generally regretted, during a journey in the East. As a vigorous writer and an independent, if not profound thinker, he deserved the considerable reputation which he had earned by his ambitious work. As a professed man of letters, and as an encyclopædic reader who apparently placed all books on an equal level, Mr. BUCKLE resembled the

great scholars who devoted their lives in the fifteenth or sixteenth century to the revival of learning. His scepticism, not unmingled with prejudice, rather recalled the memory of the eighteenth century, while his style was as natural and idiomatic as if he had passed his life in the midst of modern society. The purpose and character of his writings were entitled to all respect, and his deficiency of philosophical insight and of scientific accuracy by no means destroys the literary value of his history. With these exceptions, the Obituary of the year has scarcely included an eminent name, unless the high position of the Archbishop of CANTERBURY may be thought to have redeemed from mediocrity an otherwise estimable character. The only important domestic events of the year may almost be summed up in the Cotton Famine and in its consequences. In the presence of so great a calamity, it is satisfactory to record that the Revenue is flourishing and that Trade has but slightly diminished. Thus far neither good nor evil fortune has thrown a shadow of doubt on the expediency of English institutions and of the policy which in modern times accurately expresses their spirit. If the cotton mills are enabled even partially to reopen in the spring, there is reasonable ground for anticipating, in the absence of unforeseen causes of disturbance, a year of prosperity and progress.

The attention of the Continent as well as of England has throughout the year been principally engrossed by America, but it is only possible to record in a concise abridgement some of the more important events of the war. In the first days of 1862 the answer of the Federal Government to the demand for the surrender of the prisoners from the Trent was still expected with well-founded anxiety. The English Minister at Washington had reason to believe that the PRESIDENT and the majority of his Cabinet were obstinately bent on sustaining the

wrongful vote of the House of Representatives and the report of the Secretary of the Navy. It was only at the last moment that the timely remonstrance of the French Government enabled the Secretary of State to overcome the perverse injustice of his colleagues and of the chief of the State. To the great relief of a peaceable and unoffending nation, which had armed solely to defend its honour, Mr. MASON and Mr. SLIDELL were delivered over to the care of the English Legation, and the practical concession more than compensated for the ungracious language of a verbose despatch, in which Mr. SEWARD endeavoured to apologize to his fellow-citizens for an unpalatable display of prudence and justice. The precedent, even without the judicious commentary which was afterwards furnished by Lord RUSSELL, is sufficiently clear to regulate the practice of belligerents towards neutrals in all similar transactions. It is but candid to acknowledge the merit of Mr. SEWARD in saving his country at the same time from the perpetration of a crime and from the commission of a ruinous folly. Although his diplomatic communications before and since have been characterized by almost unequalled absurdity and bad taste, the credit of avoiding a rupture with England in consequence of the outrage on the Trent belongs principally to the Secretary of State.

General M'CLELLAN had spent the autumn and winter in organizing and disciplining the vast army which, according to the universal belief of Federal America, was destined summarily to overwhelm the rebellion. The Confederate outposts were still within a few miles of Washington, and the navigation of the Lower Potomac was interrupted or harassed by hostile batteries ; but a considerable flotilla of gunboats had been prepared to ascend the Southern rivers, and the Federal Government and population exulted in the prospect of a converging

movement which, closing in like the folds of the anaconda, was to suffocate the Seceding States in its irresistible embrace. Although the Commander-in-Chief still postponed his advance, the first operations of the campaign seemed to justify the confidence of the North. A small Confederate force, rashly threatening Ohio, was defeated early in January at Mill Springs, in Kentucky. In February, General BURNSIDE, with the aid of his gunboats, captured the island and garrison of Roanoke, on the coast of North Carolina, and a month later he took possession of Newbern. General GRANT's army and his river fleet took Fort Henry, on the river Tennessee, at the beginning of February; and a few days afterwards the same force effected the more important conquest of Fort Donnelson, on the river Cumberland. Somewhat later in the spring, General POPE, with the flotilla, took a fortified post on the Mississippi which was known as Island No. 10; and in the latter part of April Commodore FARRAGUT obtained the most considerable success which has hitherto attended the Federal arms, by forcing the defences of the Lower Mississippi, and by consequently compelling, on the 1st of May, the unresisted surrender of New Orleans. After the capture of Fort Donnelson and of Roanoke the confidence of foreigners in the tenacity of Southern resistance was temporarily shaken. It was true that, except at Mill Springs and in some obscure and uncertain skirmishes in Arkansas, the Federal troops had never gained an advantage beyond the range of their gunboats; but, on the other hand, the Southern troops seemed at first deficient in spirit, and it was uncertain whether they would have energy to continue the conflict where the chances were more equal. The blockade of the ports gradually became comparatively effective, and even the barbarous device of choking the entrance of Charleston with hulks,

which were sunk in the sea channels for the purpose, might be thought to prove the determination as well as the unscrupulous recklessness of the North.

The current of opinion was once more turned by the victory of the Confederates in the first considerable battle of the campaign. General SIDNEY JOHNSTON, having collected a considerable force at Corinth, surprised General GRANT on the 6th of April at Pittsburg Landing, and inflicted on him a severe defeat, involving the capture of a portion of his camp. On the following day, however, two Federal gunboats, arriving at the scene of action, compelled the Southern troops to retreat to their lines, after losing their able General. General BEAUREGARD, who succeeded to the command, maintained the lines of Corinth for several weeks, while General HALLECK, with a Federal army, estimated at 150,000 men, remained idle in his front. At last it was found that the garrison had withdrawn with all its guns and stores, and General HALLECK and his Lieutenant, General PORE, after announcing that they had taken 10,000 prisoners in the retreat, were compelled tacitly to acknowledge that their triumph was wholly fabulous, and that, out-generaled by the enemy, they had wasted the best season for a campaign in total idleness. The war in the West has since been pursued with varying fortune and with indecisive results. The Confederates have marched through Kentucky, but they have not been strong enough to hold the State, while in Tennessee and Missouri the line of separation has been alternately advancing and receding. The Federal General ROSECRANZ obtained an advantage in an engagement at Corinth in October, and about the same time General BRAGG and General POLK defeated General BUELL at Perrysville. In December a Federal Brigade of 4,000 men surrendered at Hartsville, in Tennessee, to the Con

federate General MORGAN. The Federals have, for the most part, the superiority in numbers and in material of war, while their adversaries are better commanded and more earnest in their cause, with the advantage of the goodwill of the population. Mr. JEFFERSON DAVIS, in his message to Congress in March, admitted that the Confederates had attempted too much when they proposed to hold the line of the Ohio. Although their military strength has since greatly increased, it seems improbable that they will ultimately secure by arms the Northern part of Missouri, or even the whole of Tennessee. On the banks of the Mississippi they retain only the strong position of Vicksburg, which was unsuccessfully attacked by a Federal flotilla in the latter part of the summer. General BUTLER'S offensive despotism at New Orleans nourishes and justifies the aversion of the entire South from Federal alliance or supremacy ; but the military possession of the city, as it lies below the level of the river, is insured to the belligerent who commands the water.

Even the maritime preponderance of the Federalists appeared for a moment to be interrupted by the exploits of the Virginia, once known in the United States' Navy as the Merrimac, which had been coated by the Confederates with iron rails in the Navy-yard of Norfolk. Issuing suddenly from port on the 8th of March, the Virginia sank and destroyed two or three wooden men-of-war, scattered terror into a fleet of transport and store ships, and threw shells into the lines of the Federal army in the neighbourhood of Norfolk. On the following day the Virginia was met by the iron-clad Monitor, which had just arrived from New York, and, after an undecided contest, both vessels retired to repair damages. The Virginia was subsequently abandoned and blown up by her crew, but her presence in the James River continued in the interval to alarm the

enemy, and it materially affected the plan of the campaign against Richmond. Some months afterwards another Confederate iron-clad vessel, the *Arkansas*, fitted out in the Yazoo River, contributed largely to the successful defence of Vicksburg ; but in a conflict with the hostile flotilla the *Arkansas* was ultimately driven aground on the shore of the Mississippi, and destroyed to prevent a capture. It is said that iron vessels have been fitted out in the Southern ports and in the upper waters of the Mississippi, but there can be little doubt that the Federalists, who command the sea, and possess a great superiority of mechanical resources, will profit more largely than their opponents by the modern discovery of invulnerable ships.

The characteristically exaggerated confidence which had been reposed by anticipation in General M'CLELLAN's abilities naturally declined when it was found that he lingered month after month on the banks of the Potomac. Mr. CAMERON, the Secretary for War, having shocked even American sensitiveness by his close alliance with speculating contractors, was appointed to the Russian mission, in place of the half-witted Mr. CASSIUS CLAY, and was succeeded at the War Department by Mr. STANTON, who conceived a bitter enmity to M'CLELLAN. The spring was far advanced when the Confederate army retired without molestation from its lines at Manassas, which, as it was found, had never been regularly fortified. The Federal General, after following their retreat for two or three days' march, unexpectedly returned to Washington, and embarked his army on the Potomac for the purpose of landing on the Virginian peninsula and advancing westward upon Richmond. At the moment when the decisive movement commenced, the PRESIDENT, by the advice of Mr. STANTON, deprived M'CLELLAN of the command-in-chief, and appointed General M'DOWELL

and General FREMONT, who was afterwards replaced by General POPE, to independent commands in Northern Virginia. General M'CLELLAN and his friends attribute his subsequent failure to want of co-operation and to a deficiency of reinforcements and supplies; nor can it be doubted that his chances of victory would have been largely increased if he could have disposed of M'DOWELL's division to cover and strengthen his right flank. The first operation of the campaign consisted of a three weeks' siege of the historical lines of York Town, where the Confederates had prepared their first show of defence. Having secured the delay which they required, they gradually fell back towards Richmond, striking successive blows to cover their retreat at Williamsburg, and at West Point, where the Pamunkey expands into the estuary of York River. As M'CLELLAN followed, he leant to his right to keep up his communications with his ships, for the James River on his left was still closed by the presence or the terror of the formidable Virginia. From West Point the Federal army turned westward, and, after suffering a severe check on the plain of White Oaks, the headquarters were placed at White House, where the West Point Railway to Richmond crosses the Pamunkey. In the meantime General JACKSON commenced his long series of brilliant exploits by driving the Federal General BANKS headlong upon the Potomac, to the extreme terror of the PRESIDENT and of the authorities at Washington. General FREMONT and General SHIELDS were baffled by the superior activity of the hostile commander in their attempts to retrieve the disaster, and General M'DOWELL, in spite of his earnest protest, was recalled from his movement towards M'CLELLAN to aid in the defence of the capital. It soon appeared that General JACKSON's advance was part of a concerted plan for the relief of Richmond.

In the middle of June General STUART, with a small force of cavalry, moved round the right wing of the Federal army, and, passing behind the whole of their rear and their left wing, returned safely, with considerable booty, to the camp in front of Richmond. A week later the entire North was startled by the tidings that M'CLELLAN had retreated several miles under incessant attacks, and that, passing his right wing behind his left, he had taken up a new position at Harrison's Landing, on the James River. The mendacious journals of New York asserted that his retreat was virtually an advance, or, in words which have become almost proverbial, that it was a "great strategic movement," leading to the early capture of Richmond. The truth, however, soon became too transparent to be obscured even by American fiction and credulity. General M'CLELLAN was entitled to the credit of saving his army from imminent destruction, but he had encountered a crushing defeat. On the 26th of June his right was fiercely attacked by JACKSON, and on the following days, having lost his head-quarters, he was pushed rapidly across the Chickahominy, and narrowly escaped destruction before he took up his defensive position at Harrison's Landing. After his retreat the abandonment of his enterprise was only a question of time, and after some altercation with General HALLECK, who had been appointed to the chief command at Washington, General M'CLELLAN re-embarked the remains of his army for Acquia Creek and for Alexandria, where he arrived as the Confederate General LEE was effectually following up his former victories.

General POPE, in command of the army of the North, had advanced beyond the Rappahannock to the Rapidan, for the purpose of diverting the attention of the enemy during M'CLELLAN's embarkation. General LEE, leaving the baffled army of the Peninsula to escape at leisure, pushed rapidly north-

ward, and General STUART, a second time penetrating into the enemy's rear, captured General POPE's baggage and a portion of his Staff, while JACKSON, by a daring movement, in which he twice crossed the Blue Ridge Mountains, threw himself between the Federal main army and Washington. General POPE, who had boasted and blustered himself into popularity, has since, with consistent meanness, thrown the blame of his disasters on his subordinates and his colleagues. Utterly outmanœuvred and confused, he commenced a hurried retreat on the Potomac, incurring daily defeats, of which the most conspicuous was, by a singular coincidence, suffered on the celebrated field of Bull's Run. After a week of misfortune, the beaten army took refuge within the defences of Washington, while General LEE, detaching JACKSON to besiege Harper's Ferry, crossed the Potomac to raise the friendly population of Maryland. The panic-stricken Government of Washington judiciously dismissed POPE to an obscure command in the North-West, and M'CLELLAN, summoned to retrieve the fortunes of the Federal army, marched northwards with unwonted vigour to drive the Confederates from Maryland. General LEE, though he found himself outnumbered, gave battle at Antietam to cover JACKSON's operations, and, having by the superior quality of his scanty force avoided a defeat, he withdrew some days later beyond the Potomac, while the garrison of Harper's Ferry, to the number of 12,000 men, surrendered themselves to the Confederates, with an enormous amount of artillery and stores. Notwithstanding the imperative orders of the PRESIDENT and General HALLECK, General M'CLELLAN thought himself unable to follow General LEE's retreat, and a month elapsed before he once more took the road to Richmond, following the eastern slope of the Blue Ridge Mountains. Early in November he was suddenly dismissed from the command, and his

successor, General BURNSIDE, transferred the seat of war to the banks of the Rappahannock, from which, according to popular belief, he was at last to march triumphantly on the hostile capital. Although General BURNSIDE's military experience down to 1860 was confined to six years' service as a subaltern in time of peace, he can scarcely be held responsible for the grave disaster which the Federal army has suffered under his command. The Government, after dismissing M'CLELLAN on political grounds, considered that the fortunes of the Republican party could only be retrieved by an immediate advance on Richmond. The untried leader of the army in accepting his commission virtually pledged himself to submit his own sounder judgment to the political exigencies of the Government and to the presumptuous clamour of the Northern Press. After summoning Fredericksburg to surrender, General BURNSIDE was compelled to wait for a fortnight before the arrival of his pontoon trains enabled him to enforce his menace by an attack. On the 11th of December he crossed the Rappahannock at Fredericksburg, supported by a heavy cannonade, and during the following day his army took up its position between the ruins of the town and the lines which General LEE had fortified at a short distance to the south. On the 13th the Federals attacked the enemy's position, and, after a gallant struggle, and a loss which is believed to have been the severest of the war, they were repulsed and utterly defeated. On the night of the 15th BURNSIDE succeeded in recrossing the river under cover of the darkness and of a storm of rain, and there is reason to hope that, in Virginia at least, the campaign may be suspended for the remainder of the winter. The Republican faction has played its last stake, for even the Cabinet of Washington will scarcely persevere in the attempt to create a servile insur-

rection within a fortnight of a final and decisive defeat.

The course of domestic policy in America and the tendency of public opinion have followed the progress of the war. In the Confederate States, which adopted a definite Constitution in February, the Congress seems generally to have supported the Executive Government, although some collisions between the central authority and the privileges of the States have given the PRESIDENT an opportunity of displaying his tact and discretion. A conscription was early instituted in the South, apparently with general concurrence, and the enthusiasm with which the burdens of the war have been accepted and borne sufficiently proves Secession to have been a national movement. In the absence of authentic information, it is difficult to test the truth of the assertion that constitutional freedom has been scrupulously respected by the Government of the Confederacy and of its component States. The financial resources of the South furnish a still more perplexing subject of inquiry, for it is only known that a paper issue has in both the Republics superseded a metallic currency. It is supposed that considerable sums have been borrowed on the credit of the stock of cotton, after it had been in the first instance bought or borrowed from the producers by the Government. The Confederate organs assert that all the materials of war are now manufactured in sufficient quantities at home, and it is known that large supplies of arms and stores have found their way through the blockading squadrons. If the zeal and unanimity of the South had required any external stimulus, the insolence and minute despotism of General BUTLER at New Orleans, and the menace of servile insurrection which is contained in the PRESIDENT's Proclamation, would effectually have destroyed any lingering desire for the revival of the Union.

The Federal Government throughout the spring and summer became more and more reckless in its disregard of all legal and constitutional restraints. Members of the Cabinet, district commanders, provost-m Marshals, and superintendents of police exercised, amid the general applause of the dominant faction, an unlimited right of imprisonment for political offences. Whenever complaints were preferred the PRESIDENT adopted, with a blundering chivalry, the acts of his subordinates, and Congress tacitly repudiated the right or the duty of defending popular freedom. Pecuniary fraud on the Government seemed to be the only offence which was secured by official and general sympathy from any serious risk of punishment. Three of the highest functionaries were reported by a Committee of Congress as having connived at extravagant peculations for the ostensible benefit of their relatives and their immediate dependents ; yet no American is surprised that Mr. CAMERON is Minister in Russia and candidate for re-election to the Senate, that Mr. GIDEON WELLES continues to administer the Department of the Navy, or that General FREMONT owes his temporary retirement to his acts of insubordination, and not to his dealings with contractors. The Secretary of the Treasury is apparently the most efficient member of the Government, and, although he has exhausted his power of borrowing, and flooded the country with a depreciated paper currency, the difficulty of finding money in default of a revenue is not attributable to Mr. CHASE. The taxes have covered about one-tenth of the expenditure, and the remainder is, therefore, necessarily represented by different forms of debt. At the close of the Session in the summer, Congress passed a comprehensive Tax Bill, estimated as likely to produce more than £30,000,000 ; but down to the present moment not a dollar has been levied for the pur-

poses of a war which has lasted for a year and three-quarters. It must, however, be admitted that the Government has found the means of providing sufficiently for the material necessities of the war. No army has been better supplied or so abundantly fed, although the numbers employed were scarcely exceeded in the gigantic campaigns of NAPOLEON. It is impossible to ascertain the actual strength of the army at any time, for extravagant bounties have produced the natural result of unprecedented desertion. The absentees are everywhere reckoned by tens of thousands, and the completeness of the contingents from the different States can be but vaguely conjectured by the help of the most contradictory assertions. The army at the beginning of the year was popularly estimated at 750,000, and it seems probable that about six-sevenths of the number may really have been enrolled. In the course of the summer the PRESIDENT, in two separate proclamations, called for 600,000 fresh soldiers, and it was determined that any deficiency of volunteers should be supplied by conscription. Mr. STANTON, at the beginning of December, informed Congress that 800,000 men were under arms, and it seems to be thought that less than a fourth of the number ought at that time to have been deducted for sickness, desertion, and official exaggeration.

Mr. SEWARD has declined in influence at home, nor has his foreign policy become wiser or more dignified through prolonged experience. His system, intended to flatter domestic prejudices rather than to influence foreign Governments, is confined to the hackneyed routine of menace to England and of untiring deference to France. At the beginning of the war he announced that a hint of interference would be treated as a declaration of war, and yet, when the Emperor of the FRENCH proposed to England and Russia a mediation for the exclusive benefit of the Confederates. the

American Secretary was more grateful for the Imperial offer of arbitration than for the refusal of the English Government to concur. He had previously given diplomatic expression to the vulgar animosity of his countrymen by announcing that a war with England, to follow on the early suppression of the rebellion, would most effectually heal the breach between the Northern and Southern States. Mr. LINCOLN deserves the credit of having abstained in his Proclamations and Messages from the wanton provocations which have been thrust upon England by his Secretary of State.

The Abolitionists, at first an insignificant and unpopular fraction of the Republican party, naturally grew in influence at the expense of their political allies as the war proceeded. They gained a legitimate advantage in the abolition of slavery in the district of Columbia, and in the practical liberation of the negroes who found their way within the Federal lines. The more questionable experiment of enlisting negro regiments failed under General HUNTER, on the coast of Georgia, and while New England orators were declaiming in favour of the Southern slaves, some of the North-Western States passed new laws for the exclusion of coloured immigrants from their borders. The PRESIDENT characteristically wavered between the advocates of the Constitution and the more reckless philanthropists. He promoted compensated emancipation in Columbia, and he proposed a plan for buying off the slaves in the Border States; but he assured his friends that it was his object to restore the Union with slavery or without it; and he replied to a deputation of Abolitionists from Chicago by the judicious assurance that a proclamation which might purport to liberate the slaves in the Southern States would be inoperative out of the reach of the Federal arms. Three weeks afterwards, without any change of cir-

cumstances in the interval, Mr. LINCOLN proclaimed the emancipation on the 1st of January of all slaves in every State which on that day should not be represented in the Federal Congress. If the Legislative decree of an Executive functionary has any validity, every negro in the South will, in a day or two from the present time, be justified in putting to death any master or neighbour who interferes with the full enjoyment of his freedom. The most valuable property of the Confederacy is summarily confiscated not only in bulk and substance, but in principle, and four millions of an uncivilized race are suddenly raised to equality with the Southern Americans without any attempt at provision for their discipline or government. A more monstrous usurpation of power has never been exercised with more criminal recklessness, and Mr. LINCOLN can only find an inadequate excuse in his evident ignorance or forgetfulness of the effect of his own decision. Long after the issue of the proclamation, in his Message to Congress, he proposed to emancipate by a gradual operation extending over thirty or forty years the same slaves whom he had already affected to release on the 1st of January. His return to sober counsels had evidently been caused by the unexpected discovery that Federal America was not unanimous in its support of Republican violence, corruption, and incapacity.

The State elections in the autumn restored to the Democratic or Conservative party the preponderance which it had formerly exercised. The constituencies intended to protest against habitual disregard of the Constitution, and especially against a preference of the supposed interests of the negroes to the rights of separate States and to the interests of the Union. The leaders of the re-action probably foresee that moderation and legality will necessarily lead to peace. The PRESIDENT would not

have violated the Constitution if he could have conquered the South by ordinary methods, and the Democrats, though they for the moment affect peculiar warlike zeal, have no special facilities for accomplishing the task in which their adversaries have failed. As their supremacy becomes established, they will certainly attempt negotiation ; but as the Confederates are firmly resolved on maintaining their independence, it may be doubted whether peace will be attainable until both belligerents are still further exhausted. The great victory at Fredericksburg will justify Mr. JEFFERSON DAVIS in rejecting any proposal of submission, while in the North the Federal disasters can scarcely fail to weaken still further the mischievous influence of the reckless Republican faction.

1863.

During the past year the troubled condition of the Eastern and Western Continents has furnished a contrast to the tranquil prosperity of England. The Government has earned general approval by the prudence and temper with which it has avoided any collision with the United States, and its diplomatic intervention in Poland was only censured because it seemed inconsistent with the national determination to persevere in a policy of peace. Notwithstanding the continued deficiency in the supply of cotton, the distress in Lancashire has steadily diminished, and the elasticity of trade has counterbalanced the stagnation of one of the most important branches of industry. The Customs' receipts, the general revenue, the imports and exports, have exceeded the limit of all former years, and a bright summer produced one of the most fruitful harvests which have ever been gathered in England. Un-

fortunately, neither the fine weather nor the consequent abundance has extended to Ireland. The failure of successive crops has caused great distress among the rural population, and it is perhaps not a cause for regret that the extraordinary demand for labour in the United States has stimulated the adoption of the painful remedy of emigration. Archbishop MACHALE not unnaturally seizes the opportunity of denouncing the English Government and nation, and it is possible that even an ecclesiastical agitator may be sincere in his erroneous reference of economic evils to political causes. The land fares ill where, before wealth can accumulate, it is necessary that men should decay or disappear, but the evil, which is finding for itself a violent cure, is already of long standing. The substitution of cattle for human beings offers a plausible grievance to seditious orators ; but when climate and soil are adapted to pasture and green crops, it is better to grow food for men than to keep men, for want of food, on the verge of starvation. If Ireland overflows, it must be presumed that it is still too full, while the regions which absorb its superfluous population still offer boundless vacancies. The Americans may be excused for the complacency with which they point to the thriving yeoman who may be the son of a pauper Irish peasant. The secret of the transformation is to be found in the undoubted geographical fact that America is larger than Ireland. If the proportional areas were reversed, while all political circumstances remained the same, the current of migration would at once ebb backward across the Atlantic. Messrs. BRIGHT and CORDEN endeavoured to disturb the contentment of the English labourer by incessantly reminding him that he is "divorced from the soil." In Ireland, a few years ago, every rood, or every acre, struggled hard to maintain its man. The famine of 1847 and the distress of 1863 supply an experi-

mental commentary on the project of contending against Nature.

The year has been saddened and rendered memorable by the loss of many eminent statesmen and soldiers. Sir JAMES OUTRAM was one of the most sagacious and gallant in the long succession of heroes who have conquered and kept the Empire of India. A generation ago he was described as having taken more forts, pacified more hill tribes, and experienced more extraordinary adventures than any living officer, and, although he had not reached old age, he had since been constantly engaged in the prosecution of similar labours. He took a part in the conquest of Scinde, he commanded the expedition to the Persian Gulf, and all England appreciated his delicate generosity when, waiving his superior rank, he served as a simple volunteer under HAVELOCK in the famous march to Lucknow. Lord CLYDE, at the end of a still longer career, had attained a higher elevation. A Colonel in the army in 1854, he died a Field-Marshal and a Peer in 1863. The Crimean War left him standing at his proper level, above the carpet knights or Court favourites, who had subsided into their proper obscurity; and in the Indian Mutiny he showed that there was one English General who understood the art of war, and who was not ashamed to economize the lives of his men. He had done his work, he was far advanced in life, and, out of the range of his profession, he was not distinguished by intellectual power; but the country saw with pleasure that his long services had been at last duly rewarded, and it would willingly have awarded him a few more years of prosperous repose.

Some of those who are recorded in the Obituary of the year have been summoned in their natural order. Lord LYNTHURST had outlived all his contemporaries, and seen a younger generation fast fading away. During the ninety years of his life,

among some greater and a few more fortunate men, he had met with neither friend nor enemy who surpassed him in natural gifts and acquired accomplishments. In accuracy, in rapidity, in vigour and daring, with the closed fist or the open hand, as a scholar, a lawyer, and a Parliamentary debater, he excelled almost every adversary and rival. As a statesman he was wanting in the enthusiasm which indicates deep convictions, and, although he had much social knowledge of mankind, a want of sympathy prevented him from understanding the English people. He was a finished, intellectual athlete, and when he retired from political contests he showed on many occasions that his impulses were often generous and wise. It was his good fortune to survive the enmities which he had frequently provoked, and to remain in extreme old age the object of general admiration. Lord LANSDOWNE, who had often opposed him in the House of Lords, preceded him by a few months to the grave. His respectable abilities, supported by his rank and wealth, by no means adequately accounted for the high position in the State and in society which his death has left unoccupied. The sound good sense and the moral qualities which found expression in the graceful dignity of his manner had made Lord LANSDOWNE the most favourable type and representative of the English aristocracy. His interest in literature and his general taste for art helped to sustain the activity of mind which enabled him to the last to enjoy and adorn society. His unfailing and winning courtesy proceeded from a deeper source. Although he loved social popularity, he never condescended to insincere demonstrations of familiarity, and yet, like CHAUCER's knight, he probably never said anything offensive,

“In all his life, unto no manner of wight,

“He was a very perfect gentle knight.”

His political judgment derived additional value

from his calm temper and from his long experience. He was Chancellor of the Exchequer 58 years ago, and at the time of his death a hundred years had elapsed since his father attained Cabinet rank. Happily for himself, Lord LANSDOWNE was trained up in the liberal opinions which became dominant in his maturer life. His moderation was shown when he headed a section of the Whigs in the coalition with CANNING, and long afterwards in his acceptance of office under Lord ABERDEEN. If he was not a bitter partisan, he was a thorough Englishman. He was one of three or four members of the Government, and of a not much larger portion of the higher nobility, who shared the earnest purpose of the nation during the Russian War. An equally large circle of acquaintance regretted the loss of Mr. ELLICE. His sagacity and energy had raised him early in life into political importance, and to the close of his long career he never relaxed in his genial activity. Although he affected neither eccentricity nor peculiar elevation of purpose, he had, like all really remarkable men, found an exceptional place for himself. At one time the adviser, or, in American phrase, the "wire puller" of the Whigs, he afterwards formed the link between the leaders of the party and the House of Commons as it issued from the Reform Bill. Although his tastes and habits were aristocratic, he cultivated an intercourse with many classes both at home and abroad. None of his friends or former colleagues knew Frenchmen better or Americans as well. In his later years he delighted in the society of younger men, who found that his abundant store of reminiscences never overlaid his ready interest in every passing event of importance.

The sudden and premature death of Sir GEORGE CORNEWALL LEWIS was universally lamented. Though his qualities were not brilliant or showy, his reputation had grown rapidly, and he was re-

garded by the House of Commons and by the country with confidence and with hope. The fame of his vast learning added weight to his authority, but he was more especially trusted because he possessed that peculiar form of common sense which is found to be inseparable from honesty. His friends entertained on fuller grounds, and with clearer insight, substantially the same opinion of his character which was generally received. His conversation, and in some instances his Parliamentary speeches, displayed a quiet playfulness which was intimately connected with a singular and admirable exemption from the weakness of credulity. Traditional fallacies and new-fangled paradoxes were equally unattractive to his understanding. The common belief that if he had lived he might have held the highest office in the country shows that he had attained in public estimation a rank which is rarely accorded even to popular statesmen. The roll of political losses closes with the death of Lord ELGIN, at an age which might have justified him in hoping for a long career of usefulness and distinction. His sound understanding and great industry had enabled him to profit by the early opportunities of employment which he owed to political and family connexion. In Jamaica, in Canada, and amid the arduous and complicated negotiations in China he was always found equal to the occasion. His Indian administration seemed likely to be peaceful and prosperous, especially as he had the faculty and habit of avoiding quarrels both with his superiors and his subordinates. As Lord ELGIN's life was passed abroad, the popular belief in his capacity was necessarily founded on his habitual success. Good fortune is in modern, as in ancient times, one of the most valuable attributes of a statesman. Two men of letters who have died within the year deserve a place by the side of Generals and Ministers. Archbishop WHATELY was

one of the clearest and most instructive writers of his time, and, notwithstanding some eccentricities of character, he had won general respect in his difficult position. A deeper feeling of regret is caused by the recent and sudden death of Mr. THACKERAY, when he had scarcely passed middle life. The popularity of his writings is co-extensive with the educated class, to which they were exclusively addressed. His copious and polished wit, his restrained tenderness, and his keen observation of social life, were intimately connected with the purity and gracefulness of his style. In the higher gift of creating fictitious characters, notwithstanding a narrow range of choice, he perhaps surpassed all contemporary rivals. In burlesques and parodies he indulged in the wildest revelry of caricature, but the personages of his novels were almost as exempt as living "men from distortion and exaggeration. In many circles of society personal sorrow for so fresh a loss will supersede for the time any disposition to criticize his writings. In the recollections of his friends his varied accomplishments will be less prominent than the simplicity and gentleness which formed the basis of his character.

The appointment of Sir JOHN LAWRENCE to the vacant Viceroyalty of India has received universal approbation. Although the revenue is flourishing, the ablest of Indian rulers will find sufficient occasion for his energy, and also for his vigilance. The frontier disturbances are probably of little importance, but the Mutiny has furnished a precedent to malcontents as well as a warning, and the higher classes of the native population are every day becoming more impatient of their social and political inferiority. Sir JOHN LAWRENCE will exercise that combined influence of love and fear which has in all times been most effective in the East. Doubtful loyalty will be determined by the consciousness that it would be dangerous to dispute

the authority of the VICEROY, who, on the other hand, like all the best servants of the Company, sympathizes with the native subjects of the CROWN as fully as with his own countrymen. In the meantime the affairs of India present a smooth surface, and public attention is rather fixed on the remoter regions of Asia. The continuance of civil war in China has not prevented a rapid expansion of English trade, and perhaps it has not been without advantage in disposing the Imperial Government to a liberal and friendly policy. Political pedants and philanthropic grumblers have denounced as lawless encroachments the different forms of support which have been within two or three years afforded to the Chinese authorities. Mr. COBDEN, with characteristic vagueness in the application of history, has compared the occasional interference of Englishmen in the affairs of China with the proceedings of CORTÉZ and PIZARRO. What has really been done is less daring, less ambitious, and less questionable. The English and French forces have prevented the Taepings from approaching the European settlements at Shanghai, and a certain number of English officers have, with the sanction of their Government, entered the Imperial service. Even Chinamen will fight when they are disciplined and properly led, and English commanders have gained so many advantages that an American adventurer who had deserted to the rebels is said to have betrayed his new associates and to have rejoined the winning party. The Spaniards of the 16th century deliberately undertook the conquest of America, and it is notorious that England in the present day has no designs upon China, except to prosecute the innocent occupation of buying and selling. The machinery of commerce will not, perhaps, be adapted to its purpose without some infringement of cut-and-dried maxims derived from the

recent practice of the most civilized portions of Christendom. The assailants of English policy have a more plausible ground of complaint in the untoward events which have lately occurred in Japan. The murder of an unoffending Englishman has been avenged by an attack on the residence of a delinquent chieftain, and in the conflict which ensued a populous town has been, unfortunately, destroyed. If the officers who were concerned are proved to have exercised undue severity, either they or their superiors will receive the censure which they may deserve ; but in Japan, as well as in China, it will be necessary to protect the lives and property of Englishmen, and even to assert the right of trade, which can evidently only be enjoyed with the assent and co-operation of the Japanese themselves.

The colonies have for the most part, happily, avoided any contribution to contemporary history. The new Canadian Parliament seems disposed to make some provision for the defence of the province ; the more depressed of the West Indies cherish the hope of retrieving their fortunes by growing cotton for the English market ; Australia flourishes, though successive Ministries rise and fall like bubbles during the experimental stage of Constitutions compounded of the inconsistent elements of responsible government and promiscuous suffrage. As wild sheep from a Welsh or Scottish mountain, when they come to fatten on a Lowland pasture, scarcely need the care of a shepherd, colonial populations, as long as land is abundant and labour in demand, ask little of Governments, except to be let alone. In pastoral phrase, they are sufficiently tethered by their teeth. Neither ballot nor universal suffrage can be dangerously subversive where there is nothing to upset. The Australians of New South Wales and of Victoria are highly prosperous, and they have

neither an aristocracy to envy nor even an aboriginal race to fear or to exterminate. Unluckily, the struggle which seems inevitable between European settlers and natives has commenced in New Zealand. The Imperial Government has hitherto protected and controlled the English residents, but the Maori tribes instinctively dread the expansion of the colonial settlements, and they have apparently determined to risk their very existence in a final and hopeless contest. The success of the English troops is merely a question of time and money, and it is obviously impossible to retire from the islands. Theoretic opponents of the colonial system accuse the Government of tempting the settlers to injustice by guaranteeing their supremacy; but experience shows that colonists are far more prone than their distant metropolitan rulers to revenge aggression or opposition by internecine wars. Unless the New Zealanders are shortly reduced to submission, the savage race which has shown itself most capable of civilization will probably within a few years have ceased to exist.

Although the Colonial Office has nominally administered the government of the Ionian Islands, the proposed cession of the Protectorate falls within the sphere of European politics. The Greek Revolution has not continued as smoothly as it began, and the first difficulty of the Assembly which formed the Provisional Government was to provide the country with a King. The vacant dignity provoked little competition, and Lord PALMERSTON'S activity was severely taxed in discovering competent and willing candidates. The unanimous election of Prince ALFRED had proved abortive in the autumn of 1862, and at the beginning of the year it was hoped that his uncle, the Duke of SAXE-COEBURG, would accept a throne where he might have found wider room for his energies than in his petty German Principality. In

February the DUKE definitely declined the nomination, and within a few weeks the English Government at last found an available Sovereign in the youthful brother of the Princess of WALES. The Greeks accepted, as on former occasions, the English selection, and France and Russia, with prudent courtesy, abstained from all opposition to the choice. The Greeks, or, as they now call themselves, the Hellenes, have obtained a promising young Prince, who may possibly be trained into a vigorous and skilful ruler. Their own reputation has not been raised by the anarchy which has prevailed at Athens, or by their abstinence from all measures which might tend to restore their financial honour. Even the generous surrender of Corfu has been impeded by the discontent of the islanders and by the resistance of the Greek Government to the Austrian demand for the demolition of the fortifications of Corfu. The Ionian Assembly has refused compliance with the just and simple conditions which had been prescribed by the English Government, and the Greeks affect to decline the transfer unless the fortress be delivered over in its present state. The destruction of the fortifications is, in truth, absolutely unnecessary, although the Greeks could neither maintain nor defend them. It is only in deference to Austrian remonstrances that the English Government insists on a measure which the Ionians and the Greeks themselves are powerless to prevent. The fiscal dishonesty of the Greek Government is especially injudicious at a time when the Eastern question may at any time be resolved in accordance with the public opinion of England. Even Eastern Christianity may perhaps be better than Mahomedanism, but unless the Greeks can govern better than the Turks the revival of the Byzantine Empire is likely to be indefinitely postponed. ISMAEL PASHA, who succeeded to the Government of Egypt at the beginning of the

year, has already done more for the benefit of his subjects than OTHO accomplished in the whole of his reign.

The most important event of the year in Europe has been the Polish insurrection. For two previous years agitation had prevailed in Warsaw, and the Russian authorities and the EMPEROR himself had inflicted numerous injuries and insults on the nobility and on the general community. At last the Government determined to seize on all the young men of the higher and middle classes whose spirit and intelligence afforded a presumption of their disaffection, and the design was effected through a conscription regulated by the arbitrary lists of the police. The national leaders were anxious to postpone or avoid hopeless resistance ; but when the official journal announced that the conscripts were content with their fate, the wanton outrage exceeded the limits of endurance. Unarmed and unprepared, the nation rose against its oppressors, and the insurrection soon extended not only through the kingdom, but also over the provinces which were annexed to Russia in the first and second partitions. The Poles of Galicia have sympathized earnestly with the national cause, and the Austrian Government, either in consideration for the feelings of its own subjects or through jealousy of Russia, has practised or affected an impartial policy little accordant with its traditions. The Prussian Government, by the opposite course of identifying itself with the cause of Russia, furnished a diplomatic pretext for uttering the deep indignation of Europe. England, France, and Austria addressed separate remonstrances to the Russian Government, and they complained at Berlin of the harsh infringement of neutrality. Prince GORTCHAKOFF in his first reply appeared to accept in principle certain points which Lord RUSSELL had suggested as the basis of a pacifica-

tion ; but he declined the proposal of a Conference, while he professed the readiness of his Government to discuss the affairs of Poland with the two co-partitioning Powers. Austria in answer resented the attempt to separate her from England and France, and all the Governments once more urged upon Russia the expediency of clemency and justice to the Poles. It had transpired, however, in the course of the discussion that England would neither follow the lead of France nor allow herself under any circumstances to be drawn into a war in defence of Poland. The Russian Government consequently assumed a defiant tone, and in its latest communications foreign Powers are haughtily informed that they have no right of interference with the domestic affairs of the Empire. England has now withdrawn from the controversy ; Austria is passive ; and the Emperor NAPOLEON is, with good reason, unwilling to engage in a single-handed war with Russia. The Polish insurrection in the meantime has been sustained with unflagging heroism, against overwhelming superiority of force. The nation only survives in the classes which are above the lowest, but tradesmen and artisans are as unanimous as the highest nobles in their hatred of the foreign oppressor. The Russian Government appears to have determined on destroying the nation which it can neither conciliate nor coerce. General MOURAVIEFF has attained a bad eminence in the affections of his countrymen, in the favour of his SOVEREIGN, and in the abhorrence of mankind, by the ferocious tyranny with which he is reducing Lithuania to submission. The peasants are armed for the murder and plunder of the respectable classes, and Polish men and women are executed, imprisoned, and exiled, with utter disregard of law or of humanity. The insurrection appears to have become altogether hopeless, and the Poles will derive little satisfaction from the shock which has

been inflicted on the moral feelings and in some degree on the self-respect of Europe. It is only in the Northern States of America that Russian barbarity receives universal applause. For American moralists it is enough to know that ALEXANDER II. and MOURAVIEFF are dealing with insurgents, and to believe that Russia is the enemy of England. The approval of tyranny, of spoliation, and of murder is almost more odious than the original crime.

The troubles of Poland have caused much embarrassment to the Emperor NAPOLEON, who had already sufficient business on his hands. In the spring his army in Mexico, after receiving large reinforcements, advanced against Puebla, which was defended by the Mexican garrison with unexpected obstinacy. The war had never been really popular in France, and defeat would almost have been dangerous. In May, however, the superiority of the French arms was asserted by the capture of Puebla, and in June General FOREY occupied with little resistance the city of Mexico. In conformity with the orders of the EMPEROR, the victorious commander caused a Committee or Assembly of French partisans to recommend the establishment of an Empire on the French model, under the Archduke MAXIMILIAN. The consent of the august candidate seems to have been previously secured, for in the course of the autumn he assented, on certain formal conditions, to the offer of the Crown by a Mexican deputation. The Mexicans are to approve by universal suffrage the Imperial dynasty and institutions, and the more essential protection of France is to be granted to the Mexican Monarchy. Although the Government of the United States has remained prudently silent during the conquest of Mexico, it is foreseen that after the termination of the civil war attempts may be made to expel a European potentate from the American

Continent. The ultimate success of the French experiment is more than doubtful, and the enterprise has added largely to the embarrassment of the finances. The elections which took place in the summer indicate the growth of unwonted political activity, if not of discontent. M. DE PERSIGNY was driven from office by the failure of his imprudent dictation to constituencies, and a minority, no longer inconsiderable in numbers, including in its ranks M. THIERS, is prepared to criticize, and, if possible, to thwart the policy of the EMPEROR. The feelings of the people have been deeply stirred by the sufferings of Poland, and the EMPEROR can only justify his pacific conduct to his subjects by throwing the responsibility on his allies. When he met the Senate and the Legislative Body, a few weeks since, he was compelled to admit that, unless some third alternative could be devised, his Government had only to choose between a costly war and ignominious silence. The motives which sometimes induce a General to call a council of war, or which occasionally overcame the repugnance of the ancient Kings of France to a meeting of the General Estates, perhaps first suggested to the EMPEROR the project of a Congress. In default of more definite results, time at least would be gained, and it may have seemed barely possible that all the political complications of Europe would, by an elaborate system of balance and adjustment, be more easily settled than the separate disputes which had singly baffled the resources of diplomacy. In an autograph circular to the European Courts the Emperor NAPOLEON adopted a demonstrative and almost sentimental tone, which has generally been thought inappropriate to State papers. The youngest of Sovereigns, the offspring of the popular will, the object of suspicious jealousy to his neighbours, the Emperor of the FRENCH, nevertheless, asked them to meet him on a peaceful errand in the city from

which subversive doctrines and aggressive enterprises had so often proceeded. A Congress superseding the necessity of war would be better than a Congress which, as at Vienna, ascertained and modified the result of sanguinary struggles. Old treaties had in a great measure become obsolete, and it remained for the wisdom of Governments to regulate by deliberate concert the arrangements of the future. The proposal, though it may have been connected with ambitious hopes, was probably not insincere in its dreamy generosity. It is not inconsistent with the character of the Emperor NAPOLEON to idealize a conception which originated in a makeshift. If cold-blooded foreigners remained sceptical, French imagination might be excited by the thought of a Constituent Assembly of nations convened within the walls of Paris. The plan would have possessed more practical value if there had been reason to believe that Russia desired a graceful opportunity of concession after asserting her independence of alien dictation. The objections, on the other hand, were numerous and transparent, and Lord RUSSELL may claim the ambiguous merit of expressing with unsparing candour the judgment which less plain-dealing Ministers in other countries have intimated or concealed in courteous mazes of diplomatic eloquence. It was certain that no great Power was prepared to surrender a province, a title, or a pretension ; and the problem of readjusting a balance without disturbing the contents of the scales might well be thought insoluble. The prompt refusal of England caused much irritation in Paris ; but, although Lord RUSSELL's answer may have been unnecessarily explicit, intelligent Frenchmen and the EMPEROR himself have perhaps by this time discovered that argumentative confutation is more respectful than evasive satire. Every Continental Government professedly accepted the Congress, but the only sincere adhesions were

offered by States which hoped for accession of power or territory at the expense of their neighbours. Italy must have known that a discussion on Venetia would exclude Austria from the Congress ; nor can the infantine dynasty of Greece have seriously expected the gratification of its insinuated hopes. Austria required preliminary explanations, which must have been either unsatisfactory or fatal to the project ; Prussia significantly dwelt on her own alleged fidelity to treaties ; and Prince GORTCHAKOFF, on the part of Russia, indulged in the political sarcasm which proves his literary ability rather than his statesmanlike prudence. The unctuous insincerity of Papal Latin appropriately exaggerated and caricatured the equally conventional but less indecorous language of secular diplomacy. PIUS IX., applauding the benevolent purpose of the EMPEROR, affected to anticipate that the Congress would, after restoring his lost dominions, proceed to re-establish the supremacy of the only true Church throughout the world, and especially in Catholic countries. There can be no doubt that the POPE would gladly celebrate an *auto da fé* in the Place de la Concorde, and probably he would consent to crown NAPOLEON III. in Notre Dame if, like one of his predecessors, he were allowed to adjust the Imperial tiara with his foot instead of his hand. Nevertheless, it was little less than an insult to assume that the Congress was called for the purpose of resuscitating the Middle Ages. It is, on the whole, more tolerable to be addressed by Lord RUSSELL in the language of this world, as a sensible man who can afford to hear that for once he has made a mistake.

The latest dispute which menaces the peace of Europe is not calculated to inspire implicit confidence in the arrangements of Governments assembled in Congresses or in Conferences. The chronic difficulty of the Duchies attached to the

Danish CROWN has been unexpectedly rendered weak by the death of FREDERICK VII., the last King of the House of OLDENBURG. As long as the Kings were absolute in Denmark their ducal sovereignty in Schleswig and Holstein involved no subordination of their German subjects to the Danes of the Kingdom. It was only when a Representative Constitution was granted, in 1846, that the conflict of races seriously commenced ; and in 1848 it produced civil war. With the aid of Prussia, the Germans of Holstein and Schleswig expelled the Danish forces from both Duchies, but on the withdrawal of the Prussian troops the Danes recovered the greater part of Schleswig, and, finally, the authority of FREDERICK VII. was re-established in both Duchies by various conventions in 1850 and 1851. Austria and Prussia, on behalf of Germany, assented to the dissolution of the ancient union between Holstein and Schleswig, and, in return, Denmark undertook to perform the Federal engagements which were due in Holstein, and to maintain various privileges and immunities which were claimed by the German inhabitants of Schleswig. In 1852 the Great Powers thought it expedient, in anticipation of the extinction of the dynasty, to provide for the integrity of the Danish Monarchy, including the ancient dependencies of the Crown. By the Treaty of London, executed by the five Powers and by Denmark and Sweden, the succession was settled on Prince CHRISTIAN of Schleswig-Holstein-Glücksburg, whose wife became, by aid of certain family renunciations, the heiress of the Royal Crown of Denmark. The Duke of AUGUSTENBURG, who was heir of Holstein and claimant of Schleswig, was induced to relinquish his pretensions, and the Emperor of RUSSIA, who is head of the ducal house of Holstein-Gottorp, agreed to postpone any hereditary claim which he might have asserted. All the principal German States,

except Bavaria and Baden, afterwards adhered to the treaty, and on the death of **FREDERICK VII.** Prince **CHRISTIAN** possessed an undisputed diplomatic title. In the interval, however, extreme irritation had existed between Germany and Denmark, especially when the late King encroached on Federal rights by a patent establishing a Constitution in Holstein, issued in the spring of the present year. Federal execution in the Duchy was imminent, when the accession of King **CHRISTIAN IX.** in Denmark afforded an excuse for opening the question of his right to the Duchies. Prince **FREDERICK**, son of the Duke of **AUGUSTENBURG**, disputed the validity of his father's renunciation, and nearly every Legislative Assembly in the German States urged their respective Governments to recognize his title. The Diet in its corporate capacity had never adhered to the Treaty of 1852, and Austria and Prussia had considerable difficulty in obtaining a decree for the apparently harsh measure of Federal Execution in Holstein. The alternative of a hostile occupation of both Duchies was only lost by a single vote, and public opinion in Germany is apparently opposed to the Execution, because as a legal process it is essentially peaceable, and at the same time it is compatible with King **CHRISTIAN's** title to Holstein. It is still uncertain whether the quarrel may not lead to war, but England is earnestly impressing on Denmark the necessity of moderation and prudence. Unless the Danes can be convicted of some violation of the agreements of 1850 and 1851, it will be impossible for the two great German Powers to escape from the engagements of 1852. The Prussian Ministry has found in the Schleswig-Holstein controversy an opportunity of diverting the House of Deputies from its angry and just opposition to the Crown. During the early part of the year **M. VON BISMARCK** treated the Chamber with the ostentatious con-

tempt which LOUIS XIV. would have shown to one of his provincial Parliaments, and ultimately a dissolution left all the existing disputes unsettled. A fresh election, while it has slightly increased the numbers of the Ministerial party, has also proved that the country agrees with the great Liberal majority. As the original dispute related to the army, although it afterwards involved the larger question of Constitutional Government, war, or the probability of war, might perhaps enable the KING to establish, with the consent of the Deputies, his favourite military organization. Another remarkable result of the dispute consists in the temporary concert which has been established between Austria and Prussia. Their ancient antagonism had in the early part of the year been revived by the Polish insurrection, and the unpopularity of Prussian policy encouraged the Emperor FRANCIS JOSEPH to propose a reorganization of the Confederacy under the primacy of Austria. In August nearly all the Kings and Princes of Germany, with the representatives of the Free Cities, assembled in the old Imperial Hall of Frankfort to discuss the conditions of a new Federal League. The temporary enthusiasm which welcomed the proposal proved the existence of a strong national feeling, and the harmonious proceedings of the Congress seemed, on a superficial view, to justify the hope of future German unity. It was agreed that the Diet should be remodelled in the form of a Parliament, consisting of an Upper Chamber of Sovereigns or Plenipotentiaries, and of an Assembly representing the Legislatures of the separate States. The scheme, however unsatisfactory, might have admitted of improvement, but the discussion and its results had the fatal defect of being wholly unreal. It is useless to pretend that Germany is one while it is divided into two great States, surrounded by their respective clusters of satellites. The absence of

Prussia was a sufficient confutation of all the pleasant fancies which were symbolized or expressed by the Congress. As it was impossible to cure the duality of the nation, the debates of Frankfort and the sketch of an imaginary Constitution were but an idle amusement. With the cessation of the pageant the experiment was forgotten, although it may, perhaps, be more than once repeated under Austrian or Prussian auspices.

With the exception of the obscure feuds of the Turkish provinces, the troubles in Poland and the question of Schleswig and Holstein have alone disturbed or threatened the tranquillity of Europe. In America the war still retains its gigantic proportions and its internecine character. The South, in its extremity of suffering, while it slowly learns to appreciate the superior resources of its adversary, maintains its attitude of obstinate defiance, and during the year it has been victorious in two great pitched battles, nor has its ablest commander ceased to threaten the Federal capital. The inhabitants of the Northern States are equally resolute in their determination to reconquer the Union, and it is, perhaps, unfortunate that an artificial prosperity has thus far protected them from suffering the ordinary evils of war. Three months ago Mr. SEWARD informed a sympathetic audience that every State had become more powerful, and that every citizen was the richer for the war. The supply of borrowed money has hitherto proved to be boundless and although the difficulty of recruiting is already felt, the Northern armies, now seasoned by the experience of three campaigns, still far outnumber their opponents. The successes of the year, though they are not more brilliant than the Confederate victories, have proved to be more profitable and permanent, because the Federal Government can spare the requisite force to secure its conquests. The Northern invader, though he has often

been checked in his advance, has not been compelled to take a backward step. It is, indeed, only surprising that the Confederates have been able so nearly to maintain the balance of fortune. The relative forces of the belligerents are as those of Prussia to Belgium, or of Spain to Portugal; but the defence is in some degree facilitated by the vast spaces which must be traversed in military operations. Throughout the contest the calculations both of foreign and of American politicians have been falsified by experience. Mr. LINCOLN's proclamation of liberty for the negroes in the hostile States has not fulfilled the hopes of its authors, because it has not caused the servile insurrection which was justly deprecated by the opponents of the PRESIDENT's policy. Large numbers of slaves have been liberated in districts occupied by the Federal armies, and if Southern resistance is finally subdued the institution will probably cease to exist. The Government of Washington has apparently not yet devised any plan for disposing of the emancipated negroes or for governing the conquered white population. Mr. LINCOLN's project of allowing one-tenth of the citizens in each State to represent this contumacious majority can scarcely be regarded as a serious proposal.

The last year closed with the drawn battle of Murfreesborough, which was followed by the retreat of General BRAGG and by the bloody defeat of BURNSIDE before the heights of Fredericksburg. During the remainder of the winter military operations languished, and the Federal efforts were chiefly concentrated on naval efforts for the capture of Charleston. In April Admiral DUPONT was repulsed, with serious damage, in an attack on the harbour, and it was not till summer that the siege was resumed by Admiral DAHLGREN, aided by a land force under General GILMORE. In May General HOOKER, who had succeeded General BURNSIDE in

the command of the Army of the Potomac, at last crossed the Rappahannock, in two divisions, above and below the Confederate position at Fredericksburg. General HOOKER was a better soldier than his predecessor, General POPE ; but he was, if possible, a more shameless braggart. Two or three days after his passage of the river he congratulated his troops on a certain victory, although by his arrangements he had spared his adversary the trouble of cutting his army in two. General LEE, leaving his works at Fredericksburg to their fate, moved westward to meet the enemy at Chancellorsville, where he inflicted on HOOKER a total defeat ; then, facing rapidly to the East, the Confederate Commander-in Chief fell on the isolated division of General SEDGWICK, who had taken Fredericksburg without resistance. The Confederates, as usual, were unable to follow up the victory, which consequently proved almost barren, except that it secured Richmond from attack. General SEDGWICK effected his retreat, after heavy loss, and the whole Northern army on the following day returned to the north of the Rappahannock. About the same time General GRANT, who alone among the Federal commanders has displayed great military capacity, commenced a series of operations which terminated in the most important success of the year. The Confederates, having fortified Vicksburg and Port Hudson, had for a time retained exclusive possession of the intermediate portion of the river Mississippi. Early in the year an attempt to take Vicksburg from the land side was defeated with heavy loss, and it was only when Admiral FARRAGUT had succeeded in taking his flotilla past the batteries of Port Hudson that the renewal of the siege became feasible. General GRANT unexpectedly landed his army on the left bank of the river, a considerable distance below Vicksburg, and he advanced rapidly against the fortress, defeating two or three Confederate

divisions on the way, and ultimately forcing General PEMBERTON, who commanded in chief, to take refuge within his defences. The works were found impregnable to assault, but from the time at which the investment commenced the ultimate surrender of the fort became inevitable. The State of Mississippi had been drained of Confederate troops, and General JOHNSTONE, who commanded the outside force, was unable to inflict on GRANT any serious molestation. After many weeks of increasing suffering, the garrison was reduced by famine, and GRANT was enabled to announce their capitulation on the national anniversary, the Fourth of July. Soon afterwards Port Hudson surrendered to General BANKS, and the whole course of the river is now cleared of Confederate strongholds, although as long as the war continues the attacks of irregular troops will prevent the passage of trading vessels except under sufficient escort. The event shows that Mr. JEFFERSON DAVIS was in error when he shut up a considerable part of his army in the river forts ; for the sacrifice of men and of material of war at Vicksburg and Port Hudson has proved to be a heavier loss than the enemy's conquest of the Mississippi. If the garrison of Vicksburg had been disposable in the field, it is doubtful whether GRANT or his army could have been afterwards spared for the operations round Chattanooga.

The satisfaction of the North on the capture of Vicksburg swelled into boundless exultation when the Army of the Potomac at last obtained an advantage in the field. At the beginning of the summer General LEE, passing unnoticed round the right flank of HOOKER's army, inflicted a disgraceful defeat on General MILROY in the Shenandoah Valley, and then crossed the Potomac with his whole force into Maryland and Pennsylvania. Justly alarmed, the Government of Washington,

substituting General MEADE for General HOOKER at the head of the army, recalled all the troops to the north of the river, and urgently demanded assistance from the States of New York and Pennsylvania. At Gettysburg General MEADE received the attack of the enemy in a strong position, which he ultimately succeeded in holding. In the following days General LEE, acknowledging that his enterprise had failed, retired unmolested to his old quarters on Virginia soil. During the subsequent six months the hostile armies have alternately advanced and retreated, engaging only in trifling combats, which have generally left the victory with the Confederates.

General MEADE had an excuse for temporary inaction in the necessity of detailing a considerable force to protect the Federal authorities, who were effecting the draught in New York. The first attempt at forcible enlistment in the city was baffled in the month of June by a riot, in which a considerable amount of property was destroyed, and in which some of the coloured population were murdered, and the remainder threatened and outraged. The riot was attributed by the native Americans to the Irish rabble, and the mild remonstrances of Archbishop HUGHES with the criminals tend to confirm their statement. The PRESIDENT, with laudable energy, determined to enforce the law even at the risk of crippling operations in the field. Under the pressure of a large military and naval force the draught was ultimately completed : but the Corporation of New York devised an ingenious method of reconciling the letter of the Conscription Act with the practical nullification of its provisions. It had been enacted that personal service might be commuted for a payment of 300 dollars, and all persons in easy circumstances naturally availed themselves of the alternative. The Corporation voted 3,000,000 dollars to

buy off the poorer conscripts, and the other municipalities of the State generally followed the example. The compulsory draught accordingly proved, on the whole, a failure. Two months ago the great State of New York, containing a fifth part of the Federal population, had fallen short of the due proportion of recruits by 108,000 men. In the ensuing six months 300,000 men will be entitled to their discharge from the army, and the possibility of conquering the South depends almost wholly on the question whether volunteers or conscripts can be henceforth procured in sufficient numbers. The Irish are now opposed to the war, the Germans are hesitating, and the available part of the genuine American population must be nearly exhausted.

The second siege of Charleston has continued for four or five months, with reckless expenditure, and thus far with little success. General GILMORE long since announced the destruction of Fort Sumter, which nevertheless still remains in the possession of the Confederates. The repeated attempts to burn the city by a contrivance called Greek fire have failed to subdue the spirit of the inhabitants, and General BEAUREGARD conducts the defence with skilful and obstinate energy. The confidence, however, which had been inspired by the successes at Gettysburg and Vicksburg has been confirmed by the general result of the campaign in Tennessee. General ROSECRANS, after holding for many months his position at Murfreesborough, at last advanced unresisted for 150 miles to the south-east, and it was supposed when General BRAGG evacuated Chattanooga that the Confederate army was incapable of a further struggle. At the end of September ROSECRANS was undeceived by receiving a heavy blow at the creek of Chicamauga from General LONGSTREET, who had arrived from Virginia to command a division of BRAGG's army. The Federal troops were disgracefully routed, with a loss of

25,000 men, and if they had been vigorously pursued it seems probable that their campaign might have ended in hopeless disaster. The stubborn resistance of General THOMAS with the left wing and the slackness of the Confederate General-in-Chief enabled ROSECRANS to rally his beaten army on the heights of Chattanooga. The unlucky Federal commander was immediately superseded by THOMAS, who was put under the orders of GRANT, and for a time the army was exposed to imminent danger through the difficulty of obtaining provisions. A successful movement by HOOKER opened a considerable part of the river Tennessee, and in the absence of LONGSTREET, who had been detached against BURNSIDE at Knoxville, General BRAGG was compelled to retire towards the frontier of Georgia. General GRANT, having discovered the movement, attacked him in his retreat, and inflicted heavy loss on the Confederates. It seems probable that the Northern armies will retain during the rest of the season undisputed possession of Tennessee, and the advantages which have been obtained to the west of the mountains are regarded at Washington as a sufficient compensation for the ineffective campaign in Virginia. The operations in distant parts of the continent can scarcely affect the general result of the war. The capital of Arkansas, having been taken and retaken, is once more threatened by the Confederates, and a kind of independent civil war has broken out where Missouri borders on Kansas. In Texas the Confederates at the beginning of the year retook Galveston, and General BANKS has lately occupied Brownsville, which lies opposite Matamoras, on the Rio Grande. The civil transactions of the Federal Government have been comparatively unimportant, for the rapid accumulation of debt and the unlimited issue of paper money have not yet produced their inevitable consequences. The Habeas Corpus has been suspended

throughout the States without resistance or remonstrance, and the Republican party, now almost amalgamated with the Abolitionists, has obtained a decisive superiority over the Democrats. The resources of the English language have been exhausted in foolish vituperation of England, and Mr. SUMNER and Mr. CHASE have obtained a bad eminence among many competitors by their extravagant expression of real or affected malignity.

The entire absence of retaliation on the English side can, perhaps, scarcely be claimed as a merit. The spectator is naturally calmer than the combatant, nor is he tempted to echo his incoherent cries. Lord RUSSELL, in his speech at Blairgowrie, expressed the general feeling when he administered a temperate rebuke to Mr. SUMNER for his discreditable tirade. The absurd attempt to cause annoyance in England by exaggerated attentions to the Russian officers at New York barely provoked an occasional smile, rather of amusement than contempt. It is easy to assemble meetings of professed Federal partisans in any large English town. The numerous intellects which find complicated problems fatiguing save the trouble of thinking by fastening on the simple issue of negro emancipation. More thoughtful minds deliberately adopt the neutrality, which had already become a rule of political conduct. The war involves one of those unfortunate quarrels which, perhaps, can only be settled by force. The South was originally in the wrong ; but it by no means follows either that the North remains perpetually in the right, or that its enterprise will ultimately be successful. Foreign countries have but to await the result and to abstain from assisting either party. The only plausible charge of a violation of neutrality on the part of England has been founded on the ravages committed by Southern cruisers which had been built in English ports. The Alabama escaped from

the Mersey in anticipation of interference by the Government ; the Alexandra was seized before her fittings were completed ; and two steam-rams are now in the custody of Custom-house officers. When the case of the Alexandra came on for trial it was found that the Foreign Enlistment Act was open to innumerable doubts, and the ruling of the LORD CHIEF BARON was directly adverse to the CROWN. The case has since been reheard at fuller leisure, and the law will henceforth be ascertained, and, if necessary, it may be altered by Parliament. There is a general agreement of opinion that the issue of armed cruisers from neutral ports ought to be peremptorily prevented.

The civil and criminal courts have, in the absence of political excitement, supplied several subjects of interest besides the case of the Alexandra. In a trial at Chelmsford the notorious convict ROUPELL was called to prove that he had defrauded one party, and the jury were unable to agree whether he was not committing perjury for the purpose of defrauding another. The unparalleled prolixity of the court-martial on Colonel CRAWLEY failed to tire out public curiosity, and the acquittal, which confirms the anticipations of soldiers and lawyers, is still discussed with much difference of opinion by civilians and laymen. Crimes of the worst class have unfortunately not diminished either in number or atrocity. The murder of a wife and two children in a street cab by a criminal, who afterwards escaped punishment by suicide, transcends the ordinary standard of guilt and of melodramatic horror. The leisure which has allowed attention to be directed to forensic struggles has also left room for the gentle agitation of science and literature, and for the angrier differences of theologians. Mr. KINGLAKE's history gave rise to a controversy which has not yet subsided. Bishop COLENSO frightened the Episcopal Bench and the Convoca-

tion into utterances which the gravest and most learned member of both bodies has since disapproved as hasty and inexpedient. Geography, which on the eye of accomplishing its task seems to have become the most popular of studies, has perhaps in the present year revealed its earliest and almost its latest secret. Captain SPEKE and Captain GRANT have seen a river, which is thought to be the Nile, issuing from a lake which probably contains its source. The verification of their discovery will entitle them to the credit of having solved one of the most ancient puzzles.

To the mass of the population neither the researches of travellers nor the investigations of the Courts, perhaps not even the Polish insurrection or the American War, will have furnished an event so memorable as the national holyday which celebrated the marriage of the Prince of WALES. The attachment of the English to the peculiar type of Royalty which they cherish might almost redeem them from the imputation of belonging to a prosaic and unimaginative race. There is reason to hope that the sanguine anticipations of the applauding multitude will be justified by the results of the marriage. The coldest and driest of political theorists appreciates the value of the enthusiasm which has, since the commencement of the present reign, deservedly attended the CROWN. There is, we fear, reason to believe that the state of the QUEEN's health will not yet permit her to resume the ostensible and prominent functions which, though by no means the highest, are popularly considered among the most indispensable of her public duties. Her reappearance, whenever she is capable of the effort, will be welcomed with universal sympathy and respect.

1864.

Another year of tranquil prosperity has been added to the most undisturbed period of English history. Steady material progress is probably accompanied by moral and social improvement, and the uniformity of political affairs is rendered more conspicuous by the absence of personal changes. LORD PALMERSTON, after fifty-five years from his first entrance into office, is surrounded by colleagues whose public eminence has lasted for thirty or forty years, and of his two principal opponents, one was the antagonist of O'CONNELL and the other the chief assailant of PEEL. Two members, however, of the Government, have died within the year. The Duke of NEWCASTLE, though he never attained the highest rank as a statesman, possessed a sound understanding and a remarkably vigorous character. To perfect honesty and unusual industry he added the rarer quality of political courage. None of his equals more thoroughly recognized the obligations of a great social position, or more carefully abstained from converting its advantages into an invidious sinecure. Trained to office under Sir ROBERT PEEL, he readily adopted the enlightened doctrines of his master's late career, and when he afterwards joined the Whig party his principles were, at least, as liberal as those of his new allies. Temporarily discredited by the failure of the War Department in the early part of the Crimean campaign, he lived to see justice rendered to his strenuous exertions, and at the time of his death few politicians were more generally respected. The Earl of CARLISLE, also, was a worthy representative of the higher English aristocracy. Having the fortune to be born and bred a Whig when the party was about to attain a permanent ascendancy in the State, he had no temptation to waver in opinions which were well suited to his character and disposition. During

the earlier portion of his political life it seemed that he might fairly hope to attain the highest dignities. He held a creditable place in the House of Commons, he was one of the most successful of Irish Secretaries, and he was the most popular member for the largest county in England. His character, however, and perhaps his intellect, though graceful and cultivated, were deficient in force. It had been formerly ascertained that his genial and overflowing courtesy was especially adapted to the temperament of Irishmen, and later experience proved that he was born to be a Lord-Lieutenant. A dignified office, without any definite functions, could not have been more appropriately filled. When the Viceroyalty has become a mere tradition, it will probably be long associated in Ireland with the memory of Lord CARLISLE.

His younger and more active successor, Lord WODEHOUSE, appears likely to secure the popularity which seems to be the only attainable object of a Lord-Lieutenant's ambition. He has the good fortune to find the country slowly recovering from severe and long-continued distress. Time and prosperity may, perhaps, gradually abate the discontent and the propensity to internal discord which still interrupt the social regeneration of Ireland. Emigration has been lately stimulated by the great demand for labour in America, and in some degree by the lawless manœuvres of Federal agents or speculators. The priests, however, are naturally alarmed at the decline of the population, and they have also ascertained that the Roman Catholic clergy in the United States for the most part favour the Southern cause. The democratic agitators of Dublin resent the backwardness of the priests ; but their differences were temporarily laid aside on the occasion of opening a monument, which has at last been erected, in honour of O'CONNELL. It was, perhaps, natural that the

tardy honours which were paid to the great demagogue should be combined with a factions and illegal demonstration. The streets of Dublin were obstructed by the emblems and processions which are dear to certain classes of Irishmen, principally because they are offensive to Protestants or to Englishmen. The local Government thought it prudent to connive at the irregularity, and the whole affair would have been speedily forgotten if it had not provoked an untoward reaction at Belfast. A mock funeral procession conveyed an effigy of O'CONNELL through the Roman Catholic part of the town, for the express purpose of provoking an outbreak. The labourers in the docks immediately accepted the challenge, and vented their anger on their Protestant neighbours, and the ship carpenters in turn attacked the Roman Catholic rioters in superior force. The magistrates and the police were inefficient and powerless, and for more than ten days the most prosperous city in Ireland was engaged in a quarrel which might have almost attained the dimensions of a civil war, if it had not, happily, been comparatively bloodless. The repetition of the scandal will probably be prevented by a better organization of the police, but the occurrence forcibly illustrates the inherent difficulty of governing Ireland. The death about the same time of Mr. SMITH O'BRIEN suggested to sanguine minds a hope that some improvement had been attained since the era of his abortive insurrection. No agitator or revolutionary leader could possess fewer qualifications for a career of active mischief. His only aptitude for rebellion consisted in a dull and imperturbable self-conceit. To the last he never understood the culpability or folly of his enterprise, and he was incapable of forgiving the Government and nation which had remitted with contemptuous indulgence his well-earned punishment. It should, however, be recorded to his credit that alone among

his accomplices he retained the personal feelings of honour which befitted his birth and education. When the MITCHELS and MEAGHERS, who now respectively adorn the Northern and Southern Federations, basely violated their parole, Mr. SMITH O'BRIEN preferred perpetual exile to the breach of a sacred engagement. It is but fair to admit that his misconception of patriotic duty resulted rather from vanity and stupidity than from more positively discreditable motives.

The domestic annals of Great Britain have been, happily, monotonous. The single Parliamentary conflict of the Session has been followed during the Recess by a tacit political armistice, and Mr. DISRAELI himself has only appeared in public to recommend a particular cross in sheep-breeding, and to advocate, perhaps with a view to clerical votes at the approaching election, an undefined scheme of an ecclesiastical tribunal which is to be relieved from inconvenient restraints of positive law and judicial interpretation. The impending dissolution equally explains the recent revival of the agitation for Parliamentary Reform. Some of the supporters of the movement urge the large constituencies once more to exact on the hustings the pledges which were too readily given in 1859, to be violated or evaded when, in the following years, they were found incompatible with the conscientious convictions of the House of Commons. Other active Reformers astutely propose to apply the question to the Liberal party while the dreaded agonies of a canvass or a contest furnish instruments of coercion. It is not improbable that in the next Session Mr. BAINES and Mr. LOCKE KING may largely add to the number of their professed adherents; but in the course of five or six years reflection and observation have greatly modified the indolent acquiescence of politicians in proposals for virtually disfranchising the upper and middle

classes of the community. Any Reformer who can devise a plan for admitting superior mechanics and operatives without swamping the present constituent body will deserve universal support and gratitude. Whatever may be the future fortunes of the reforming party, the present renewal of the controversy is merely occasional and factitious. Public attention has been more strongly attracted by the progress and by the occasional vicissitudes of commercial prosperity. The exports and imports of the year have been unequalled in pecuniary value, and after a due correction of the returns, to allow for the dearness of cotton in a raw or manufactured state, the quantities are satisfactorily large. The revenue still answers with unwearied elasticity to each successive removal of fiscal pressure. The mills of Lancashire are once more at work, although the distress in the district has not been wholly removed. Farmers have profited by another harvest of more than average quality and quantity, and the difficulty in providing winter fodder, which must be the consequence of an unusual drought, will, to a certain extent, find compensation in the high prices which, unfortunately, prevail. Considerable uneasiness prevailed during the autumn in consequence of numerous commercial failures, but the alarm, which had never degenerated into a panic, appears already to have subsided. A rate of interest exceeding seven per cent. was maintained for four months by the wise caution of the Bank of England and of other great moneyed establishments. The soundness of the modern system or practice of the Money-market was conclusively proved, and English traders are now only amused or astonished when foreign theorists propound the obsolete heresies of artificial capital and unlimited credit.

As usual, the disturbed condition of foreign affairs has contrasted with the uneventful tranquillity of England. Some observers believe that

the most important transaction which has occurred on the Continent is likely in its indirect consequences to produce a permanent modification of English policy. The conquest by the great German Powers of two provinces which had long formed a part of the Danish Monarchy has been generally disapproved, while it has not provoked active resistance. The precedent of abstaining from an extravagantly imprudent war may not improbably be followed hereafter, as it was anticipated in the Polish controversy of 1863 ; yet within ten years of the Russian War it is premature to assume that England will never again engage in war for an idea embodied in an invaded territory. A great Judge is said sometimes to inquire whether cases which are cited on the interpretation of ambiguous wills turn on the particular document or on the words of the same testator. In the same sense it may be admitted that when the circumstances of the Schleswig-Holstein quarrel are exactly reproduced, the English Government, abstaining from useless negotiations, will at once determine on absolute neutrality. Lord RUSSELL has been exposed to some reasonable criticism and to much exaggerated and ignorant abuse. He had not foreseen that he would be abandoned by his allies and perhaps overruled by his colleagues. He was not sufficiently urgent in his remonstrances to the Danes, and he was, perhaps, unduly acrimonious in his language to those whom he regarded as the oppressors of the weak. On the other hand, he understood the original merits of the dispute better than the majority of professional statesmen, and his Government alone among the Cabinets of Europe laboured earnestly, without selfish interest, and in disregard of many causes of irritation, for the maintenance of peace and the impartial application of justice. Vicarious penitents, who are habitually eager to confess the sins of hostile or unpopular

statesmen, forget how deeply their profuse candour may injure or compromise their country.

At the beginning of the year Germany was still at peace with Denmark. On the last day of 1863 the Prince of AUGUSTENBURG was received at Kiel by the Commissioners who administered the Federal Execution in Holstein. The Danes had, by the advice of the English Government, withdrawn from a province which they had neither a legal right to defend against the representatives of the Diet nor the physical power to hold. If their relative weakness had been better understood, they would have been advised, also, to evacuate Schleswig, and they would have accepted the comparatively moderate terms which were still offered by the great Powers. During the early part of January Austria and Prussia were denounced by the Liberal party throughout Germany as enemies of the national cause. At that time both the great Powers recognized the rights of CHRISTIAN IX. to the entire Danish Monarchy under the Treaty of 1852. They demanded from Denmark the immediate repeal of the common Constitution of the Kingdom and of Schleswig, and they proposed to the Diet that in case of refusal the Duchy should be occupied as a guarantee for the required concession. The minor States, under the guidance of the Saxon Minister, Baron BEUST, insisted on immediate war, and, for the first time since the creation of the Confederacy, they outvoted Austria and Prussia in the Diet. There is little doubt that at this time both M. von BISMARCK and Count RECHBERG were sincere in their pacific professions. The Prussian Minister openly ridiculed the pretensions of the Prince of AUGUSTENBURG, and there is reason to believe that Austria would have welcomed a pressure on the part of foreign Courts which would have served as an excuse for inaction. The vote of the Diet determined both the Great Powers to assert their

political supremacy in Germany, and in the course of a fortnight they concentrated on the frontier of Schleswig a powerful army, which crossed the Eider on the last day of January. After a few skirmishes the Danish troops evacuated the celebrated line of the Dannewerke, falling back upon the fortified position of Düppel, opposite the little island of Alsén. The Austrian Generals, who had taken the chief part in the opening combats of the campaign, proceeded to occupy the northern portion of Schleswig and a part of Jutland, while the Prussians, aided by an Austrian contingent, formed the siege of Düppel. It appeared that the Danish army, though it displayed the hereditary courage of the nation, was inferior to the invaders in numbers, in training, and in the character of its weapons. Although the defence was prolonged from the early part of February to the middle of April, it soon became certain that the capture of the place was only a question of time. The superiority of the German arms produced extraordinary excitement in Prussia, and the popular enthusiasm suggested to a daring Minister the opportunity of aggrandizing the State, and, at the same time, of suppressing domestic opposition. The future will show whether the Danish war has really added to the strength of Prussia. For the present it has undoubtedly increased Prussian influence in Germany, and consolidated the authority of the Crown. Prince FREDERICK CHARLES, who, in the course of the campaign, succeeded Marshal WRANGEL as Commander-in-Chief, has rivalled or excelled in his boastful proclamations the most bombastic Generals of America or of France ; yet the appetite of Germany, and especially of Prussia, for military glory has been keen enough to render every exaggeration generally palatable. The capture of Düppel, on the 18th of April, was a creditable exploit, but it can scarcely be considered one of

the great victories of history. On the 25th of March a Conference began its sittings in London, and a suspension of arms between the belligerents was soon after arranged.

The English Government had been ready to concert with Russia and France direct resistance to the German invasion of Schleswig, but at the beginning of the year both Powers formally refused to conclude an alliance which would undoubtedly have involved some remarkable modifications of political feeling. Only a few months before, England, after engaging in an unfriendly correspondence with Russia, had prudently refused to join France in a Polish intervention. The Emperor ALEXANDER, having in the meantime nearly suppressed the insurrection, was not cordially disposed to the English Government, and the Emperor NAPOLEON resented both the backwardness which had been exhibited in the Polish matter and the subsequent refusal of England to attend a European Congress. As all the parties to the Treaty of 1852 had incurred the same liabilities, it would have been absurd for England to assume alone the championship of the Danish cause. It only remained to appeal to the good faith of Austria and Prussia, and, as the last resort, the belligerents were induced to attend a Conference. As soon as the deliberations began it was evident that military success had produced its usual result, by enlarging the demands of the stronger combatant. Although the Diet had never been allowed to interfere in any question of policy or of war, its envoy, Baron BEUST, was employed by Prussia and Austria to repudiate the Treaty, which, in fact, was binding only on the Great Powers, and not on the Confederation. It became necessary for the mediators to propose a division of the territory of Schleswig, which would have provided effectual redress for the alleged wrongs inflicted on German nationality. The scheme was

accepted in principle, but it was found impossible to settle the line of demarcation, and the negotiations, accordingly, proved wholly abortive. The Conference dissolved itself on the 25th of June, and on the following day the Prussians crossed the Straits of Alsen, and occupied the island itself without serious opposition. From this time the Danes, who had buoyed themselves up with unfounded hopes of foreign aid, abandoned all active resistance. A fortnight later, overtures were made at Berlin and Vienna, and preliminaries of peace, signed on the 1st of August, were afterwards superseded by a definitive treaty. At the mercy of the conquerors, Denmark was forced to surrender Schleswig, Holstein, and Lauenburg, and to pay a portion of the expenses of the war. The destiny of the ceded provinces has not been hitherto announced. The disposal of the territory practically rests with Prussia, for Austria seems to be at the mercy of her ally, and the Diet is no longer considered or consulted. Count RECHBERG has expiated, by retirement from office, the unpopularity which he had earned by his acceptance of a subordinate part in the joint enterprise of the Great Powers. To England the result of the war has been mortifying rather than injurious; and it is supposed that, for different reasons, France and Russia are secretly encouraging the ambitious designs of Prussia. The historical importance of the transaction consists chiefly in the appearance of Germany as an aggressive military Power. In consideration of this result the Germans of the minor States are disposed to tolerate or to admire the policy of a Minister who despises their liberal theories and ridicules their national aspirations.

While Prussia has been rising to ascendancy in the German Confederation, the constitutional organization of the Austrian Empire still remains incomplete. Hungary refuses to exchange her

hereditary franchises for a share in the new representative system, and at the recent meeting of the Council of the Empire many of the Galician deputies resigned their seats in consequence of the irregular establishment of martial law in their country. The Government has, with little success, endeavoured to provide against domestic dangers by courting foreign aid. The Schleswig enterprise has failed to secure a Prussian guarantee for the non-German provinces, and the tardy measures which have been adopted against the Polish insurgents have alienated Galicia more effectually than they have conciliated Russia. The struggle of Poland had become hopeless when the Western Powers refused to interfere, and in the course of the winter and the spring the last attempts at resistance were defeated and punished with unsparing severity. General MOURAVIEFF has attained an odious notoriety by his consistent efforts to suppress the Polish language and name; but, as the EMPEROR has approved all his measures, the deliberate policy of persecution must be attributed to the Russian Government. Incidentally, it has been thought expedient to harass and menace the Roman Catholic clergy, and the injuries inflicted on the priests have drawn from the POPE a remonstrance which would never have been provoked by secular sufferings. The Imperial Government has replied by a decree for the suppression of a large number of monasteries, and General MOURAVIEFF has officially directed his subordinates to encourage with all their power the influence of the Orthodox Church. As the effects of the Crimean War gradually disappear, the prosperity and ambition of Russia are visibly reviving. The long war of the Caucasus has ended in the forcible expatriation of the hostile tribes in the same year which has witnessed the fourth or fifth conquest of Poland. In the obscure regions of Central Asia a Russian army has obtained a

considerable victory, which will probably extend the frontiers of the Empire in the direction of Khokan. It is not improbable that the unsettled condition of South-Eastern Europe may again offer facilities for Russian encroachment. The adventurer who has become the accidental ruler of the Danubian Principalities has, under French instigation, effected an absolutist revolution in servile conformity to his Parisian model. The expulsion of an Assembly, the nominal appeal to the people, and the organic abolition of freedom by the institution of universal suffrage are familiar as the recognized machinery of modern despotism. Wallachia and Moldavia are, perhaps, scarcely qualified to appreciate a Constitutional Government; but under the mild feudal sovereignty of the PORTE the liberties which suited their social condition were secure against usurpation. The Kingdom of Greece is still unable to create a regular and orderly Government. The Ionian Islands have been formally transferred to the dominion of GEORGE I., and their deputies have had the opportunity of comparing Athenian patriotism with the unsympathetic, business-like habits of their former rulers. The Constituent Assembly, having at last succeeded in accomplishing its task and in voting a Constitution, has been dissolved, but this result was not effected until the able Danish Minister who governs in the name of the young KING had found it necessary to threaten the dilatory Chamber with a contingent exercise or extension of the Royal prerogative.

At the opposite extremity of the Continent a more thriving nation has been anxious to illustrate by its pugnacity the renewal of its vigour. Although the inexpediency of the reconquest of San Domingo has been proved by the subsequent revolt of the Creole and Mulatto population, the Spanish Government has engaged, apparently for purposes of

aggrandizement, in a gratuitous quarrel with Peru. It seems that the independence of the Republic, though it has been practically undisputed for 50 years, has never been officially acknowledged by the Mother Country, and, consequently, the Peruvian Government was compelled to abstain from recognizing a Spanish agent who was employed to adjust a petty grievance under the colonial title of "Commissioner." The baffled negotiator induced the Spanish Admiral on the station to resent the supposed slight to his Government by seizing the Chincha Islands, with their valuable deposits of guano. The Spanish Ministry afterwards disavowed the outrage, and disclaimed all desire of re-establishing the authority of the Crown in Peru; but, with curious consistency, the Admiral has been ordered to retain possession of the islands as a guarantee for the satisfaction of the original demand. Marshal NARVAEZ, who lately succeeded, after a retirement of many years, to the office of Prime Minister, has lately hesitated in the resolution to persist in the war in San Domingo. The final decision is still uncertain, and the question has been further complicated by a recent Ministerial crisis. If NARVAEZ remains in power, the waste of Spanish resources in the West Indies and South America will probably be discontinued. The resumption of a prudent and pacific policy may perhaps be followed by measures for the restoration of the national credit. Although the late and present Finance Ministers have, unfortunately, been enabled to postpone a decision by the aid of English capitalists, the rapid increase of prosperity and enterprise has tended to diffuse sounder views of commercial honour and expediency.

One of the most important political transactions of the year has consisted in the Italian Convention with France, and in the consequent resolution to transfer the capital of the kingdom from Turin to

Florence. The Emperor of the FRENCH is apparently sincere in his desire to withdraw his troops from Rome, and he may have thought it advisable to consult the susceptibility of his own subjects by imposing an ostensibly onerous condition on the Italians, who are to profit by the measure. By a Convention executed at Paris in September the French Government agreed to evacuate Rome in two years, and the King of ITALY in turn pledged himself both to abstain from encroachments on the Papal territory and to protect it from external violence. The POPE was to be allowed at his pleasure to levy an army of his own subjects, or of foreigners, and by a separate instrument the Italian Government bound themselves to transfer the seat of government to Florence. In a diplomatic correspondence which followed, the French Minister for Foreign Affairs insisted that the Italian Government had abandoned all future designs upon Rome. General DELLA MARMORA, who became Prime Minister on the resignation of MINGHETTI, prudently reserved the right of interpreting the Convention according to its literal bearing, declining in the meantime all unnecessary controversy. Both France and Italy retain full liberty to deal with future events according to their respective estimates of their own interest and the measure of their forces. The Italian Parliament has, after long debate, approved by large majorities the transfer of the capital, and General CIALDINI, in a remarkable speech, almost persuaded the Senate and the country that a concession imperatively demanded by a foreign Power would hereafter be a security for independence. The Court of Rome has, in accordance with its usual policy, abstained from expressing any opinion on the Convention. Although it is impossible for the POPE to approve a measure which assumes the permanence of the Italian Kingdom, it would be undignified to depre-

cate the withdrawal of the French army of occupation. The Holy See trusts in some degree to the accidents which may occur in the course of two years, and perhaps it will ultimately think its own visible helplessness a better protection than an army of mercenaries. The policy of the Emperor of the FRENCH probably implies genuine goodwill to Italy, and it also indicates his growing alienation from the ultra-Catholic party, which daily becomes more unpopular in France. In the course of the year NAPOLEON III. has once more justified his confidence in his own good fortune by the successful completion of the singular Mexican enterprise. Early in the summer the Archduke MAXIMILIAN assumed the Imperial Crown in his new capital, and with the aid of the French Generals he has since suppressed opposition in the field, although JUAREZ may, perhaps, still maintain a passive resistance in some of the remoter provinces. The Empire has been recognized by England and by the principal European Powers, and the Government of the United States has prudently suspended its pretensions to enforce its claim of exclusive influence on the Western Continent.

The American War has been prosecuted with unabated vigour, but, notwithstanding recent successes, with no decisive result. The re-election of Mr. LINCOLN as President by an overwhelming majority proves that the population of the Federal States is still hopeful and resolute in its determination to reconquer the South. On the other hand, the Confederates are still more unanimously pledged to maintain the independence which they have for more than three years defended with a heroism almost unparalleled in history. Although Mr. SEWARD and other teachers or flatterers of the multitude still affect to anticipate the early restoration of the Union, Mr. LINCOLN, in his late Message to Congress, avowed his conviction that it was useless

to negotiate as long as Mr. JEFFERSON DAVIS remained the official chief of the Confederacy. When the term of the Southern Presidency expires, in the summer of 1867, longer experience will have thrown additional light on the possibility of reconstructing the Union. The Confederates have wisely selected their ablest men for their highest posts, but their leaders only concentrate and express the enthusiasm of the general community. The sufferings of the South have been aggravated by the continuance of the war, but the only serious danger which threatens the Confederate cause is the gradual exhaustion of the military population. The Northern Generals can afford to expend two or three lives for one of the enemy, and they have never flinched from the test of their numerical superiority. In the course of the war the art of soldiership has been cultivated on both sides in the most practical of schools, and the North, which was at first unfortunate or careless in the selection of its Generals, has been the principal gainer by experience. General SHERMAN has proved himself a skilful and daring commander, and General GRANT has understood better than any of his predecessors the advantage of untiring pertinacity. On the Southern side, General LEE overshadows both his opponents and his comrades; General BEAUREGARD, after displaying his abilities successively in the defence of Charleston and of Petersburg, has since been overpowered in the South-West by irresistible superiority of force. General HOOD has displayed extraordinary courage and resolution, but he is not sufficiently economical of the lives of his men, and he has been unfortunate. The Confederates have failed to create any considerable naval force, although their cruisers still inflict heavy damage on Northern commerce. Two of their most celebrated vessels have been lost, in one instance by the rashness of the commander, in the

other through a combination of personal treachery with lawless violence on the part of a Federal officer. In the month of June the Alabama was sunk in a naval duel with the Kearsage, a few miles from Cherbourg. Late in the autumn Captain COLLINS, of the Federal ship Wachusett, followed the Florida into the Brazilian harbour of Bahia, and pledged his word to the local authorities that he would not violate the immunities of the port. At midnight, when part of the Confederate crew was on shore, the Wachusett suddenly opened fire on the Florida, and immediately afterwards the vessel was boarded and towed out to sea. Having been sent to American waters, the Florida sank in the charge of a prize crew under circumstances which could excite the complacent approval of but one community in the civilized world. The whole transaction, including an ill-conditioned despatch from the Federal Minister in Brazil, must have afforded unqualified satisfaction to every enemy of the United States. The loss of honour is a heavy price to pay for the destruction of a troublesome cruiser. The only considerable naval exploit of the year was the capture by Admiral FARRAGUT of the outer defences of Mobile. The town itself, like all the other considerable Southern ports, with the exception of New Orleans, and, perhaps, Savannah, still remains in Confederate possession.

The campaign on land was almost suspended during the winter and early spring, though the stagnation was interrupted by isolated movements at the extreme edges of the theatre of war. At the beginning of March General SHERMAN broke up, with a considerable army, from Vicksburg, and marched through the centre of the State of Mississippi, with the purpose either of besieging Mobile or of joining GRANT at Chattanooga. A large cavalry force, simultaneously advancing from Memphis, was defeated with heavy loss by General

FORREST, and, consequently, SHERMAN was compelled to retrace his steps to Vicksburg. About the same time General GILMORE was ordered by the PRESIDENT himself to invade Florida, for the purpose of giving the State a nominal place in the Union before the approaching election. General GILMORE suffered a disastrous defeat from the local Confederate forces, and no further operations have since been attempted in Florida. Early in May General BANKS moved up the Mississippi and the Red River with a large force from New Orleans, which was defeated through the want of military skill of the commander by the Confederates under General TAYLOR and General KIRBY SMITH. The Federal garrisons in Texas were afterwards withdrawn, and the whole of that State, with the greater part of Louisiana, Arkansas, and Mississippi, is now free from the presence of an invader. The recovery of a large portion of the Confederate territory seems to show the difficulty of a permanent conquest, although it is partially explained by the improved strategy of the Federal Generals, who have learnt the necessity of concentrating their forces against the main armies of the South.

Extraordinary efforts were made during the winter and the spring to recruit and reorganize the Northern armies, and at the beginning of April the rank of Lieutenant-General—instituted by Congress at the recommendation of the PRESIDENT—was conferred on General GRANT, with the supreme command of all the Federal forces. Mr. LINCOLN had learnt by experience the disadvantages of the imperfect confidence which he had reposed in M'CLELLAN and his successors, and the Lieutenant-General has disposed freely of all the resources which could be supplied by the Government. Having resolved to assume in person the direction of the Virginian campaign, General GRANT intrusted to General SHERMAN the command of the

Western army, which had arrived in its previous campaign at the extreme southern boundary of Tennessee. At the beginning of May a simultaneous advance commenced in both the great theatres of war. On the 5th of that month General MEADE, having crossed the Rapidan with General GRANT's main body, was immediately attacked on flank by the Confederate army under LEE, who had been waiting for the movement. The campaign would have commenced with an utter Federal defeat if General LONGSTREET, in the final Confederate charge, had not been accidentally wounded by his own men. Fearing to be cut off from Richmond, LEE retreated a short distance to Spottsylvania, where he again struck a heavy blow on the advancing enemy. BURNSIDE and HOOKER had in former campaigns abandoned their design of marching on Richmond after the losses of Fredericksburg and Chancellorsville, but GRANT had determined to accomplish his object at any sacrifice of life, and in a series of bloody combats, followed by flanking movements, he forced the enemy steadily backward. Four weeks from the passage of the Rapidan he found LEE encamped on the banks of the North Anna, and after trying the approaches to Richmond by the Pamunkey and the Chickahominy, he finally changed his entire plan of attack, and, crossing the Virginia peninsula and the James River, made an unsuccessful assault on Petersburg on the 16th of June, and then formed an intrenched camp in the angle between the James and the Appomattox. General LEE had thus far baffled his formidable adversary, by edging him off until he had forced him to describe more than half the circuit of Richmond. It would have been impossible for GRANT to persevere in his advance if he had not enjoyed the great advantage of a movable base on the sea. From the Potomac to the Rappahannock, from the York River to the James, his transports and store

ships followed his movements as often as he was forced to modify his plans of attack. The Confederates could only face sullenly round on the enemy as he evaded their positions with impunity. General GRANT had not relied exclusively, in his plan of campaign, on the superior numbers of his main army. When he crossed the Rapidan, General BUTLER landed with 40,000 men on the left bank of the James River, and General HUNTER was pushed forward by the Shenandoah Valley to the neighbourhood of Lynchburg. Before the Commander-in-Chief could reach the neighbourhood of Richmond, BUTLER was severely checked and HUNTER ruinously defeated. General GRANT, however, persisted in his attack on Petersburg, and he more than once attempted a demonstration on Richmond by both banks of the river. On the 30th of July he exploded a mine in front of the Confederate works at Petersburg, but in the assault which followed was repulsed with enormous loss. During the month of September he succeeded in extending his left wing across the Weldon Railway, but he has hitherto been unable to cut off the remaining communications between Richmond and the South. In the same month General EARLY, commanding the Confederate force in the Shenandoah Valley, more than once crossed the Potomac and threatened Washington and Baltimore. In October EARLY was defeated in two successive combats by General SHERIDAN, but the Confederates still occupy all the upper portion of the Valley. General GRANT's campaign has thus far proved unfruitful of any adequate result, but until his attempt on Richmond is finally abandoned it must be supposed that he still considers success not impossible.

The operations in the West have been far more various and eventful. Leaving Chattanooga in the beginning of May, SHERMAN advanced steadily southward at the head of one of the largest and

most effective armies which the Federal States have placed in the field. General JOHNSTONE, unable to meet him on equal terms, retreated slowly towards Atlanta, delaying the enemy by occupying successive positions, which after a time were turned and rendered untenable. Before the middle of May SHERMAN was at Resaca ; a month later he had reached Alatoona, and he soon afterwards experienced a partial check at Marietta. General JOHNSTONE, not thinking it prudent to attempt the defence of Atlanta, was superseded by General HOOD, who fought a battle in front of the town at the beginning of August, and afterwards delayed for several weeks the progress of the invader. Atlanta was ultimately evacuated on the 27th of September, which happened, by a curious coincidence, to be also the day of meeting of the Democratic Convention at Chicago. Both in the North and in the South the importance of the capture had been greatly exaggerated in anticipation. Like many military and political events, SHERMAN's conquest disappointed the calculations both of his friends and his enemies. The prudence of JOHNSTONE's strategy was demonstrated by the barrenness of the Federal success, for as long as the Southern army was undefeated, the loss of a single town was comparatively unimportant. SHERMAN, however, settled himself in his new possessions with the intention of using it, like Nashville and Chattanooga, as a starting point for future aggressive movements. The entire civil population was expelled, magazines were collected and covered with fortifications, and the long railway line from Chattanooga was carefully guarded by posts and detachments. It seemed probable that the campaign in Georgia had ended for the year, when HOOD, who was now placed under the orders of BEAUREGARD, suddenly passed round SHERMAN's right wing, and threw himself boldly with his whole force on the

line of communication with the North. The Federal commander immediately moved in pursuit of his daring antagonist, who withdrew across the frontier of Alabama ; but, discovering that he had been outmanœuvred, and that it would be impossible to remain at Atlanta, SHERMAN suddenly resolved on surprising the enemy in turn by a new and audacious movement. While HOOD was 200 miles to the north-west of Atlanta, SHERMAN, dividing his army into two unequal parts, left THOMAS with 20,000 or 30,000 men to occupy the Confederate forces in Tennessee, while he prepared with 50,000 men, including 10,000 cavalry under KILPATRICK, to force his way through the heart of Georgia to the south-eastern coast. On the 13th of November he evacuated Atlanta, moving in two columns, which were respectively directed on Macon and Augusta. Both places, however, were found too strong to be attacked, and the whole army, reuniting, marched towards the Savannah River, and on the 10th of December it approached the outskirts of the town, following the course of the Ogechee River. Having established a communication with Admiral DAHLGREN, who awaited his arrival on the coast, SHERMAN has besieged, and perhaps taken, Savannah. The capture of this place, if it occurs, and the proof of his great superiority in the field, will fully compensate for the abandonment of the territory which he overran or traversed during his advance through Northern Georgia. There is, probably, no precedent in the history of war for the divergent movement of two hostile armies marching in opposite directions after an arduous campaign. The advantage of the paradoxical operation has finally remained with the stronger combatant. General HOOD forced his antagonist, after a bloody combat at Franklin, to retire within the defences of Nashville, but he has since been himself compelled, after

an unsuccessful engagement, to retreat. As part of the Confederate force had moved in the direction of Murfreesborough, Hood may probably succeed in cutting the railway communication between Nashville and Atlanta. The partial loss of Tennessee would have inclined the balance of fortune against the North, but for the brilliant exploits of SHERMAN. The exulting confidence which has been renewed at New York and Washington by the tidings from Nashville and Savannah has, unfortunately, coincided with a fresh pretext for irritation against England, arising from acts of violence committed in Vermont by Confederate partisans who afterwards escaped to Canada. Having been arrested by the Canadian authorities, the prisoners were discharged by *Habeas Corpus*, on the ground of a technical defect of jurisdiction. The General commanding in New York has consequently thought fit, in a General Order, to threaten a contingent violation of Canadian territory, and violent speeches and motions have expressed the bitter feeling which prevails in the American Congress. In the present state of Northern feeling there is too much reason to apprehend some outrage which may render a rupture inevitable. The Americans of the North neither appreciate the strength of England nor understand the unanimity and resolution with which a war would be prosecuted if it were forced upon a reluctant Government and nation. If resistance to overbearing pretensions should, unfortunately, become necessary, it is not a matter for regret that the Canadians themselves should be the original parties to the quarrel. The first result of a war would be the immediate and irrevocable establishment of a Southern independence.

The Presidential contest, though it seemed at one time likely to be influenced by the vicissitudes of the war, ultimately became uninteresting and

unimportant. The extreme Abolitionists only proved their weakness by nominating General FREMONT as a candidate, and a discontented section of the Republicans for a time inclined to Mr. CHASE, who resigned his seat in the Cabinet during the month of July. The party, when regularly represented in Convention at Baltimore, unanimously selected Mr. LINCOLN as the most suitable representative of the policy of a war which he has commenced and conducted. The Democrats had little pretext for opposing the re-election of the PRESIDENT, unless they avowed an unpopular leaning to peace, which was perhaps confined to their more intelligent leaders. When GRANT had been foiled before Petersburg, and while SHERMAN was still outside the fortifications of Atlanta, sanguine Democrats thought it possible to elect a President who would summon a Convention of all the States of the former Union to discuss the terms of peace. The Democratic Convention meeting at Chicago in the last week of September elected General M'CLELLAN as the candidate of the party, and adopted a series of resolutions which ambiguously pointed to negotiation. Within a day or two it became known that SHERMAN had taken Atlanta, and that SHERIDAN had defeated EARLY in the Shenandoah Valley. General M'CLELLAN consequently accepted the Chicago nomination in a letter which virtually repudiated the accompanying platform, and, according to the old Latin paradox, having had no chance of election, he threw that nothing away. From the date of M'CLELLAN's letter, and, indeed, after the occupation of Atlanta, it became evident that the Republican candidate was certain of success. General M'CLELLAN represented nothing except a powerful minority, with which he was unwilling or ashamed to agree. Mr. LINCOLN, with the mass of the nation, was determined to prosecute the war, and sanguine of ultimate victory. Nevertheless,

every precaution was taken to guard against possible disappointment. Sham Constitutions were established by a few Southern renegades and by the camp-followers in Louisiana and Florida. The Border States were secured by martial law and the imposition of illegal tests against the utterance of Democratic predilections ; and Mr. ANDREW JOHNSON, military governor in Tennessee and Republican candidate for the Vice-Presidency, required, with Mr. LINCOLN's sanction, the voters to pledge themselves to the details of the Republican policy before they were admitted to the poll-booth. The acts of fraud and of violence which might have been found useful in a close contest proved to be superfluous, except as far as they gratified the popular taste for ostensible vigour. Mr. LINCOLN was re-elected by so great a majority of genuine votes that he could have afforded to abstain from all irregular arrangements. No President has been more unequivocally the choice of the constituency which elected him ; but the States which were bound as a minority by the lawful election of 1860 are utter strangers to a vote taken in their absence in 1864.

The spectacle of the troubles in the United States, and the blustering menaces in the Northern populace and its leaders, have produced or accelerated a movement for the union of the British American provinces. A sectional conflict between Upper and Lower Canada has been terminated by a coalition of parties under a Ministry which undertook to form a great Colonial Federation. A scheme for the new Constitution has since been framed by a Congress of Delegates from all the provinces, and there is reason to believe that it will be adopted by the various Legislatures, with the cordial sanction of the Imperial Government. It is proposed that a Governor-General, appointed by the CROWN, shall preside over a Parliament consisting of a Council appointed for life, and a represen-

tative body which adopts, with a happy omen, the great historical name of the House of Commons. With a wise regard for harmonious action, it is stipulated that the first members of Council shall be chosen from the various colonies in a fair proportion from the supporters of the actual Governments, and from the ranks of the local Opposition. The House of Commons, like the Lower House of the American Congress, is to represent the whole population according to the latest census, the basis of calculation consisting in a fixed number of members permanently assigned to Lower Canada. The several colonies, like the States of the American Union, are to manage their domestic affairs by means of provincial Assemblies, and their Lieutenant-Governors are to be appointed by the CROWN, on the recommendation of the Governor-General. The scheme necessarily resembles the Constitution of the United States, as it is adapted to a precisely similar condition of society ; but some of the defects which experience has disclosed in the older fabric appear to have been judiciously avoided. Residuary powers which have not been specially appropriated are to be reserved to the general Government, and not to the several provinces, and the qualifications of an English statesman chosen for one of the highest offices in the Empire ought to rise above the modest level of an American President. Until the new Constitution is regularly established, preliminary difficulties may arise from the natural jealousy of Lower Canada ; but if the French population is likely to be outnumbered by the associated colonists, the Confederation will furnish them with the best security against American aggression. A community of three or four millions, supported until it assumes the rank of an independent nation by the forces of the British Empire, may well disregard or defy the cupidity of rapacious neighbours.

Mr. CARDWELL's short tenure of the Colonial office has been unusually eventful. He has had to terminate an absurd Ashantee war on the coast of Africa, and a more serious conflict with the natives of the Northern Island of New Zealand still requires his attention. Disputes relating to the conduct of the war have almost unavoidably arisen between the Governor, who represents the CROWN and disposes of the regular troops, and his Colonial Ministers. The Imperial Government occupies to a certain extent the position of a powerful ally, who insists on dictating the terms of his assistants to the principals in the contest. The colonists, having made great sacrifices to avert imminent dangers, are slow to appreciate either the tenderness of the Colonial-office to the insurgents, or the careful regard to economy which is incumbent on an English Minister and his agents. The early suppression of the rebellion would, among its beneficial results, render unnecessary the immediate solution of many troublesome questions. Other unforeseen consequences of the concession of responsible Parliamentary Government are at the same moment causing embarrassment in some of the Australian colonies. The inhabitants of Victoria have preferred, with more than American intemperance and rudeness, a demand, which in substance was not unreasonable, for the abolition of transportation to Western Australia. In default of a satisfaction which had, as it happened, already been accorded, the Colonial Ministers foolishly threatened a suspension of intercourse with the convict colony, and a knot of ill-bred agitators consigned a number of notorious malefactors by a home-bound vessel to England. The same colony is engaged in a quarrel of its own with the parent settlement of New South Wales, which, finding a portion of its trade devoted to Melbourne, proposes to establish a line of Custom-houses along the Victorian frontier. The

particular dispute may easily be settled by a Customs' Union, and it is probable that experience and reflection will revive or create a more rational feeling of loyalty to the most liberal and patient metropolitan Governments. No thoughtful observer regards with surprise or alarm the inevitable collisions which occur during the early years of a mutual political relation which has no historical precedent. The colonists will gradually learn that if the Imperial Government is tolerant of their occasional eccentricities, it is also, both politically and economically, independent of their allegiance.

India, under the government of Sir JOHN LAWRENCE, has been generally tranquil, although a petty war has begun and ended on the North-West frontier, and an expedition is engaged in punishing the insolence of Bhootan. The civil war in China has ended with the suppression of the Taeping rebellion, and the desolated provinces are rapidly resuming their former prosperity. It remains to be seen whether the Government of Pekin will maintain the friendly bearing to foreign Powers which has hitherto found a motive in the need of counsel and assistance. The unintelligible diplomacy of Japan has been partially simplified by vigorous practical remonstrances addressed to turbulent feudatories of the Empire. The attack on Kagosima caused the submission of the Prince of SATSUMA, and the fire of a combined squadron has induced another hostile chieftain to adopt a friendly policy. The common interests and sympathies of civilization have in those remote regions happily overruled national prejudices and jealousies. The United States were represented with England, France, and Holland in the squadron which forced the passage into the Japanese inland sea. At Shanghai a kind of Federal Republic, formed from all the commercial nations of Christendom, is growing up under the nominal sovereignty of an Oriental

Empire. It is well that in one quarter of the world Europeans and Americans can unite in beneficent encroachments on barbarism. Elsewhere, England is the only great Power which steadily and conscientiously pursues a policy of peace.

1865.

The year 1865 has been rendered memorable chiefly by the close of the American Civil War. The death of Lord PALMERSTON, which is the most important event in the political annals of England, will probably be followed, after a long period of tranquillity, by unaccustomed interest in domestic affairs. For several years Englishmen have looked abroad for excitement, to Italy, to Poland, to Denmark, and, above all, to the United States. Uncertain rumours and vague expectations indicate an approaching renewal of Parliamentary and popular contests for power; and it happens by a remarkable coincidence that the curtain has simultaneously fallen on the dramas which have been successively enacted on the Eastern and Western Continents. Europe has been during the expiring year exempt from war and revolution, and the authority of the Federal Government is undisputed from the Canadian Lakes to the Gulf of Mexico and the Great River of Texas. Twelve months ago the balance of fortune had inclined visibly to the stronger side, but it was generally supposed that the Southern States would be able to prolong for some time their heroic resistance. Few Americans and fewer foreigners were acquainted with the statistical returns, which would have proved not only that the struggle was approaching its end, but that its continuance for four years had been a paradox or a miracle. At the end of 1864 the Northern armies, numbering 1,000,000 men,

were not yet masters of a territory which was defended by about 150,000. General GRANT still threatened Richmond after losses which during a campaign of seven months probably exceeded the entire strength of the Confederate army under LEE. The secret, however, of Southern weakness had been penetrated by the genius of SHERMAN, and the decisive movement of the war had been almost completed. In the last days of 1864 it was known in England that at the end of an unopposed march from Atlanta to the sea SHERMAN had received the capitulation of Savannah. The Western Confederate army under HOOD was wasting its reduced strength far off in Alabama or Tennessee, and BEAUREGARD alone, with 20,000 or 30,000 men, interposed between the victorious advance of SHERMAN and the overmatched army of LEE. The last delusive dream of Confederate success consisted in the repulse of an attack on Wilmington on Christmas Day. General BUTLER, misconstruing or neglecting the orders of the Lieutenant-General, had assumed the command, which had been assigned to a more competent officer. The General and the Admiral quarrelled ; an attempt to destroy the forts by an explosive machine resulted in a ludicrous failure, and the whole expedition returned to head-quarters after suffering considerable loss. General GRANT had judged rightly that the enterprise was practicable, and three weeks later he despatched General TERRY with Admiral PORTER, who had commanded the former attack, to repair the blunders of BUTLER. On the 14th of January the feeble garrison of the outer forts was compelled to surrender, and Wilmington itself only awaited the summons of the Federal General.

The Confederates had now lost their only channel of communication with the sea, and the commerce of blockade-running vessels was finally suppressed. The siege of Charleston, which had lingered for

eighteen or twenty months, had during that time closed the port to foreign trade, and the entire seaboard was about to pass into the hands of the conquerors. Though Charleston had proved impregnable to an attack by sea, the town and the port became untenable as well as useless as soon as an invading enemy crossed the inland lines of communication. Before Wilmington fell SHERMAN had already completed his preparations for his Northward march ; on the 14th he was at Branchville, and on the 17th at Wainsborough, while BEAUREGARD, who was soon afterwards superseded by JOHNSTONE, retreated rapidly before him. His own Government seems to have appreciated but imperfectly the decisive character of his plan and his certainty of success, for, in the course of January, Mr. LINCOLN sent Mr. BLAIR on an informal mission to Richmond, and at the beginning of February, in company with Mr. SEWARD, he visited Fortress Monroe in person for the purpose of hearing the overtures of three Commissioners who had been authorized by the Confederate Government to treat for peace. Mr. JEFFERSON DAVIS was still blinder to the imminent ruin of his cause, for he refused to accept any terms which were incompatible with the acknowledgment of Southern independence. At the last moment the Richmond Congress hesitated to arm the negroes ; and Mr. DAVIS seems to have believed that a continuance of desultory warfare would be possible, even after the defeat of the main army and the loss of the seaports and the capital. As SHERMAN advanced through Georgia and South and North Carolina he deliberately wasted the country over a breadth of forty or fifty miles, either with the sole purpose of depriving the hostile army of future resources, or with the additional object of forcing the enemy to seek in submission relief from intolerable suffering. Among other towns, Columbia, which was evacuated in the middle of February,

was destroyed by fire through accident or design, and the inhabitants suffered cruelly from the rapacity and violence of the troops. General SHERMAN is not supposed to be cruel in disposition, and his subsequent conduct showed that he was not influenced by revengeful feelings towards the South. His ravages in Georgia and the Carolinas prove that the elastic morality of war is still chiefly regulated, as of old, by the supposed convenience of the stronger belligerent. Modern philanthropists and optimists proclaim in vain that non-combatants are entitled to immunity, and that private property is sacred, on land if not at sea, from seizure and wanton destruction. A conquering General can always find an excuse for any degree of severity in the alleged necessity of inspiring terror or of inflicting punishment. In the actual temper of his countrymen General SHERMAN had a perfect guarantee against censure or criticism, especially when, in his passage through the State which had first devised Secession, he incidentally effected the conquest of Charleston and the restoration of the Federal flag on Fort Sumter. His operations had been concerted with GRANT, who broke up from his lines about the time at which SHERMAN occupied Branchville. After a sharp struggle, GRANT forced General LEE to retire on Petersburg and Richmond; and on the 1st of April both towns were evacuated, and immediately afterwards LEE was overtaken in his retreat and defeated in his last battle. Finding further resistance impossible, General LEE proposed a capitulation, and the Federal Commander-in-Chief wisely and generously allowed him to surrender on favourable terms. The officers were paroled and the troops were allowed to return to their homes on condition of submitting to the authority of the Federal Government. The war was, in truth, almost at an end, for within a few days General JOHNSTONE entered into a similar convention with

General SHERMAN. The conqueror of Georgia and the Carolinas, however, committed the error of introducing political conditions into a military capitulation. His agreement with JOHNSTONE purported to restore the sovereignty of the seceded States so far as it was compatible with the Federal Constitution. No provision was made for the abolition of slavery, and full amnesty was extended to all political offences. Mr. LINCOLN and his advisers properly disavowed this Convention, and ordered that military operations should be instantly renewed, and JOHNSTONE, who was well aware that SHERMAN's liberality had been altogether voluntary, surrendered on the terms which had been accorded by GRANT to LEE. There were no longer any Confederate forces in the Atlantic States, and the commanders of the troops on either side of the Mississippi one by one tendered their submission. Mr. JEFFERSON DAVIS, who had left Richmond when it was evacuated, was unluckily overtaken in his journey to the South-West, and he has since remained in close custody at Fortress Monroe. The Confederate military chiefs, with the exception of two or three who crossed the Rio Grande into Mexico, were, notwithstanding the clamour of the extreme Republican party, allowed to remain at liberty. A few principal civilians were imprisoned ; but, with rare exceptions, they have since been released ; and, to the honour of the Government and people of the United States, not a drop of blood has hitherto been shed on the scaffold for any political offence committed during the war. The victors are never tired of repeating that Secession was treason ; but in practice they admit that the contest was a great Civil War, undertaken under the influence of earnest feeling and conducted with unsurpassed energy and daring. The complacency of triumphant success has favoured the prevailing feeling of generosity, though the moderation of the North is

peculiarly meritorious, because the very moment of victory was saddened by a melancholy loss caused by an atrocious crime.

Mr. LINCOLN had steadily advanced in the confidence of his fellow-citizens, and foreigners, who had doubted the expediency of electing an obscure candidate to the Presidency, gradually recognized the value of his sturdy sense and honest directness of purpose. In common with the great majority of Americans, Mr. LINCOLN had in the first instance believed that it would be impossible, if not unconstitutional, to restrain Secession by force. When the Confederate leaders precipitated a collision for the purpose of enlisting the Border States in their quarrel Mr. LINCOLN accepted the challenge, though he imperfectly understood the danger and the greatness of the crisis. Once engaged in civil war, he kept steadily and almost exclusively in view his own paramount duty of restoring the Union. A lifelong opponent of slavery, he nevertheless declared that by protecting the institution, or by destroying it, or by leaving it alone he would, if possible, reclaim the Seceding States to their allegiance. At a later period, under the conviction that his object could only be attained by the abolition of slavery, he issued his questionable and inoperative proclamation against slaveholders who persisted in rebellion. On more than one occasion he endeavoured to negotiate a peace on condition that the war should be discontinued, and it was well understood that an amnesty without exception would be offered to the Confederate chiefs. His re-election by an overwhelming majority in the autumn of 1864 strengthened his position by the proof that his policy was seconded by the people; yet his short inaugural address on commencing his second term of office on the 4th of March was free from every trace of vanity or presumption. In quaint and melancholy language Mr. LINCOLN confessed, on

behalf of the entire nation, that the sufferings, of which he seemed not to anticipate the early close, were legitimate results of the maintenance of slavery by the South, and of its toleration by the Federal body. Without insult or resentment to opponents, he declared the necessity of continuing the contest until the original evil and its consequences had been finally uprooted. A Puritan gravity, untainted by fanatic arrogance, well became the last public utterance of a patriotic ruler, whom occasion had elevated into a statesman. A month later Mr. LINCOLN visited the head-quarters of the victorious army of Richmond, and on the 14th of April he was murdered by an obscure adventurer, named BOOTH, in a theatre at Washington. The assassin, an actor by profession and a Confederate in sympathies, combined the kindred characters of an unprincipled zealot and a histrionic charlatan. The bombastic extravagance of language which delights vulgar Americans, when translated into action, readily assumes the form of melodramatic crime. BOOTH's solitary virtue, personal courage, enabled him to strike the blow before an astonished audience, and, but for an accident, he might probably have effected his escape. He was shortly afterwards overtaken and killed by awkward or timid officers of justice, and three or four of his accomplices were subsequently executed by sentence of a Court-martial. The keeper of the Confederate military prison at Andersonville, convicted of heinous cruelty to Northern prisoners of war, is the only person, except the murderers of Mr. LINCOLN, who has suffered capital punishment. The conspirators had meditated the assassination of several members of the Government, and one of their number inflicted severe injuries on Mr. SEWARD, who was already suffering from the consequences of an accident, and on his son, who attempted to arrest the murderer. The victims of the assault have

since, happily, recovered, and the absurd hope of deranging the Federal administration and policy was necessarily disappointed. Mr. ANDREW JOHNSON, formerly Senator for Tennessee, and recently elected Vice-President, immediately assumed, according to constitutional law, the vacant Presidency; and passionate charges of complicity preferred against some Confederate leaders in the first burst of grief and indignation were at once disproved by the argument that the South was deeply interested in preserving the life of a PRESIDENT who was certain to practise clemency and moderation. Mr. JOHNSON was not equally trusted by the advocates of a temperate policy, for, being the only conspicuous Southern opponent of Secession, he had suffered personally during the war, and as Military Governor of Tennessee he had maintained the Federal authority with a high-handed disregard of ordinary law. The general anxiety was increased by an ill-judged offer of a reward for the capture of Mr. JEFFERSON DAVIS, and of some prominent Southern politicians, whom the PRESIDENT hastily and unjustly accused of participation in the recent murder. When, however, the first excitement was over, Mr. JOHNSON recovered his self-possession, and he has since devoted all his efforts to the restoration of internal harmony and order. While the extreme Republicans, represented by Mr. CHARLES SUMNER and Mr. THADDEUS STEVENS, have demanded that the Confederacy should be treated as a conquered country, and while journalists and orators have clamoured for the blood of General LEE and of other defeated heroes of the war, the PRESIDENT has invited the Southern States to resume their Federal rights and duties on terms which, although they are unpalatable to the conquered party, are neither impolitic nor unjust. General LEE and his comrades have never been practically molested, and Mr. JOHNSON appears not

to persist in his original intention of confiscating the estates of the richer Southern proprietors, for the purpose of effecting, by the sub-division of land and the immigration of Northern settlers, a social and political revolution. He has required from State Conventions and Legislatures the repudiation of the ordinance of Secession and of the Confederate debt, the abolition of slavery and protection for the freedmen, and the adoption of the Constitutional amendment by which slavery will be prohibited throughout the Union. The concession of the suffrage to the negroes lies, in the PRESIDENT'S opinion, within the exclusive competence of the several States, and probably, as a former slave-owner, he disbelieves in the possible equality of the two races. His exertions to restore the Union have, thus far, not fully succeeded, and the Republican majority in Congress excludes the Southern senators and representatives from both Houses, both by adjourning the consideration of their claims, and by maintaining an unconstitutional test-oath which no honest Southern member can accept. It may be confidently foretold that the barrier will ultimately be withdrawn, for the consistent supporters of the Federal Government are more deeply interested than their conquered opponents in the final restoration of the Union. Delay may, perhaps, be reasonable, but permanent exclusion, or government by local minorities, would be utterly inconsistent with American institutions. The influence and the vast power of the PRESIDENT will be exercised on the side of reconciliation, and it will be impossible to enlist the bulk of the Northern population in a crusade on behalf of the negro.

The people of the free States feel natural exultation in the triumphant conclusion of the war, and in the consciousness of the vast resources which they have employed in the unequal struggle. Although the numbers of the army were out of all

proportion to its exploits, the troops which were from time to time actually engaged displayed creditable discipline and remarkable valour. The rewards of labour and of enterprise are so large in the dominions of the Republic that a million of unpensioned officers and soldiers have been at once reabsorbed in the mass of the working and trading population. The revenue, if taxation is maintained at its present level, will be sufficient, after covering the expenses of Government and the interest of the debt, to provide a large margin as a sinking fund for the future relief of the community. A thousand millions sterling have been spent, of which six hundred millions have been borrowed by the Federal Government, and yet the prosperity of the country is proof against a burden which is aggravated by a corrupt and monstrous tariff of Customs. Unlimited territory, fertilized by universal industry, leaves a smaller portion of human ills in America than in Europe for Presidents and Congresses to cause or cure. Like lucky adventurers in private life, the citizens of the States attribute to the merit of their own institutions the fortune of which all men before and since the time of HEROD have been unwilling to give GOD the glory. More impartial judges readily allow the practical sagacity which dispenses in ordinary times with official interference, and in moments of danger supports the Government with the irresistible force of unanimity. It is also satisfactory to observe that the bluster of newspapers and orators is habitually counterbalanced by the good sense of a people which understands that verbal affronts are less culpable and less dangerous than actual wrongs. The menaces of a war with England, to be undertaken in revenge for imperfect sympathy as soon as the Federal armies were at leisure, have steadily and rapidly subsided since the conclusion of the civil contest. The PRESIDENT, in his late message to Congress,

contented himself with a repetition of Mr. SEWARD's hackneyed protests against the unavoidable recognition of Confederate belligerency, which was borrowed by England and France from the Government of Washington. No sensible or honest American either wishes for war or believes that it is due to the national honour. There is every reason to hope that the United States will deal successfully with the problem of internal reconstruction, and that the people will re-enter on a career of material improvement and expansion.

The good sense of the American Government has been shown by its neutrality in Mexican affairs. The establishment by a French army of an Austrian EMPEROR in the neighbouring Republic was profoundly disagreeable to the people of the United States ; but MAXIMILIAN I. has obtained possession of the greater part of the Mexican territory, and he reigns ostensibly with the consent of subjects who could by no possibility have changed their previous Government for the worse. The PRESIDENT has not only refused to recognize the Mexican Empire, but he has lately accredited a new Minister to the ex-President JUAREZ, who still maintains a desultory contest in some of the remoter provinces. More active opposition to the intrusive dynasty would involve a quarrel with France ; and American statesmen are convinced that their object will ultimately be attained by the spontaneous collapse of an exotic system. It is known that the Mexican enterprise is unpopular in France, although the Emperor NAPOLEON would be sustained by the army and the people in resistance to foreign dictation. During the last Session of the Legislative Body the French Ministers announced the early withdrawal of the army which supports the Mexican Throne, and the Government of the United States can afford to wait patiently for the fulfilment of the promise. The success of the French EMPEROR's singula

experiment would be highly satisfactory, for in a country long subjected to anarchy the establishment of order must precede the enjoyment of freedom. The Emperor MAXIMILIAN is the enemy of highway robbers and the active patron of education, and his firmness in repressing priestly usurpation has already earned for him the censure of Rome. His prospects, however, are not brilliant, for, after the departure of the French contingent, he can only maintain his position by the aid of a large and disciplined force, which he has no present means of paying. In Mexico order would produce accumulation of wealth, and money would provide a sufficient force to establish order; but the difficulty is to find a point from which the necessary circle might commence. An additional element of uncertainty is found in the want of direct heirs to the Imperial Crown. In default of lineal successors, the EMPEROR is said to have adopted the son of Colonel ITURBIDE, who many years ago assumed for a short time the title of Emperor of Mexico. As no associations of personal achievements or of national greatness attach to the name of ITURBIDE, it is doubtful whether Mexican loyalty will be induced to acquiesce in an arbitrary nomination. The only hereditary Sovereign on the American Continent belongs to the old Royal House of BRAGANZA. A connexion with the family of HAPSBURG is not less attractive to the imagination, but it is difficult to attribute a divine right to a COUZA or an ITURBIDE. The Mexican Empire may, perhaps, not survive its first incumbent, but a life-estate in a throne is generally reducible to a still more precarious tenure. If the French enterprise fails, the United States will, sooner or later, undertake the permanent pacification of Mexico and the development of its resources. As annexation would involve the admission of the Mexican population to a share in the Government of the Union, a pro-

tectorate over a dependent Republic will probably be preferred to a seizure of territory. An American Resident, supported by a sufficient force, would maintain order as effectually as an Emperor or a King.

Distance and comparative indifference to the ambition of a State less powerful than France have hitherto prevented the Government of the United States from interfering with the restless proceedings of Spain in various parts of South America. Marshal NARVAEZ, understanding the inexpediency of attempting to recover fragments of the lost Colonial Empire of Spain, abandoned, at the beginning of the present year, the unprofitable Sovereignty of San Domingo, and he also concluded a peace with Peru on receiving a considerable sum of money in discharge of Spanish claims. His successor in the Ministry, Marshal O'DONNELL, has, without any intelligible motive, fomented a trivial dispute with Chili into a war, which can bring Spain neither honour nor advantage. The substantial charge against the Republic of Chili is that it favoured the cause of Peru, and the Peruvians, who have lately completed one of their customary revolutions, would probably, if the war proceeded, adopt in turn the cause of Chili. Conquest of the vast Pacific seaboard is evidently impossible, and the inconvenience of a war is felt as sensibly by foreign traders as by the exporters of South American produce. The good offices of England and France will probably result in a pacification, and if Spanish Ministers are well advised they will find a sufficient opening for their energies in domestic and colonial administration. The close of the American War and the liberation of the Southern negroes have at last induced the Spanish Government to consider the crime and the scandal of a slave trade which in all the world finds no outlet but Porto Rico and Cuba. If the suppression of the hateful traffic is

effected, the institution of slavery itself will soon be abolished or remodelled. In default of the importation of able-bodied negroes from Africa, slave labour will perhaps not be found the cheapest instrument for producing sugar. It is also certain that American humanity and ambition will endanger the possession of a slave settlement in the Mexican Gulf by a foreign Power. The proposed discontinuance of the slave trade indicates a prudent foresight which is not habitually displayed in the conduct of Spanish affairs. Many anomalies may, however, be explained by the chronic struggle between an intelligent Minister and a corrupt and reactionary Court. Marshal O'DONNELL has triumphed over the ecclesiastical cabal by recognizing the Kingdom of Italy in defiance of the remonstrances of Rome, and of the less serious reclamations of Austria. It is asserted that the dynasty of the QUEEN is in danger, but it is difficult to believe that any patriotic Spaniard would give the signal for a new civil war. The finances are seriously embarrassed, and the obdurate refusal to discharge national obligations still excludes Spanish securities from the Money-markets of Europe. The growing prospects of the country are, nevertheless, only temporarily interrupted, and the intrigues of the Palace are more tolerable than a revolution or a war of succession.

While the French Empire has enjoyed a year of commercial prosperity and material progress, its Government has not found occasion for any active interference in the affairs of Europe. The debates of the Legislative Body were unusually animated, and it is supposed that additional opportunities of political discussion will hereafter be conceded as a partial approximation to a Parliamentary system. The EMPEROR's characteristic activity has been displayed in an official visit to Algeria, which has confirmed him in the belief that the welfare of his

Mahomedan subjects will be most effectually promoted by a separate organization. In a pamphlet he has since written he proposes that the Arabs shall furnish France with soldiers, and that they shall receive civilization in return. A revolt which afterwards broke out on the borders of the Desert seems to have been unimportant, as it is already suppressed. The virtual admission that Algerian colonization has failed is unpopular in France, but the plan which the EMPEROR has borrowed from the Anglo-Indian system of administration will probably receive an experimental trial. A small reduction in the army has been effected with a scrupulous hesitation, which shows that the Government is treading on delicate ground. The demands of the service are already diminished by the return of a portion of the garrison of Rome, and it is certain that the EMPEROR intends to execute to the letter the convention of 1864. The Italian Government has prudently and honourably discharged its own correlative engagements. In the middle of February the KING left Turin, and the Court and Parliament are now finally settled in the new capital of Florence. The second general election for the entire kingdom took place during the autumn without interruption of tranquillity. The Moderate Liberals have still a large majority over all other Parliamentary sections, but General DELLA MARMORA's Administration has resigned in consequence of the unpopularity of its project of additional taxation. The embarrassment of the finances is still extreme, and the Minister, although he proposed a heavy tax upon flour, was unable to cover the deficiency of his balance-sheet for the year. The large reductions in the army, which can alone furnish permanent relief, are still unpalatable to the ruling party. As, however, no Italian statesman seriously meditates an attack on Austria, the conviction will gradually spread that public

wealth and fiscal solvency increase national strength more effectually than a great military establishment. Excessive taxation is especially injurious to a country which still includes a disaffected minority. The clerical party can use no argument against Italian unity so forcible, or rather so popular, as the proof that the new Kingdom is more expensive than the principalities which it superseded. Some anxiety was caused during the summer by an informal negotiation with Rome conducted on behalf of the KING by Signor VEGEZZI. The object desired was the restoration of exiled Bishops to their sees and the supply of numerous episcopal vacancies. The POPE was undoubtedly influenced by a conscientious desire to preserve the organization of the Church ; but his demands were incompatible with the dignity and independence of Italy, and the discussion ended without practical result. As the Parliament is about to suppress monasteries, and to readjust ecclesiastical incomes, there appears to be little probability that the negotiations will be renewed. In the official recognition accorded by Spain and by some of the smaller German States, the Italian Kingdom finds fresh proofs that its establishment has ceased to be regarded as a mere experiment. The withdrawal of the foreign garrison from Rome will remove a visible sign of the French patronage which may, perhaps, in reality be still necessary to the security of the Kingdom. An incidental advantage has arisen from the change in the resignation of M. DE MERODE of his office as Papal Minister of War. His successor has adopted a new policy towards the brigands on the southern frontier, who now find, to their astonishment, that since the withdrawal of the French outposts their exploits are no longer approved or tolerated by the officers of the Holy See.

In Germany the ambitious designs of the Prussian Minister have been rewarded by uninterrupted

success. The Liberal majority, indeed, in the House of Deputies, rejected the overtures of the KING, and the Session terminated without any approach to reconciliation; but later in the year the Prussian members of the German National Union refused to attend the meeting of the body at Frankfort, on the ground that the common object would be best attained by the confirmation of Prussian supremacy. In spite of the unpopularity of his domestic proceedings, Count BISMARCK has represented the national policy of his countrymen. He has consequently been enabled to treat with undisguised contempt the remonstrances of the minor States, and, on every question relating to Schleswig and Holstein, Austria has been content to follow in the wake of Prussia. The title of the AUGUSTENBURG family, which during the Danish war was treated by all Germany as valid, has been utterly disregarded, and the Duchies are supposed to have become by right of conquest the unencumbered property of the two great German Powers. By a convention concluded at Gastein it has been arranged that Schleswig shall be provisionally governed by Prussia, while Holstein is intrusted to the administration of Austria. The Prussian Government has, however, secured the permanent control both of the port of Kiel and of the projected canal which is to unite the North Sea with the Baltic. For the moment Prussian influence is paramount in Germany, and Bavaria and Saxony have shown their irritation on account of the supposed abdication of its functions by Austria in their recognition of the Kingdom of Italy.

It is not improbable that the Emperor FRANCIS JOSEPH has temporarily withdrawn his attention from German affairs in pursuance of a statesmanlike policy which may perhaps re-establish the tottering fortunes of Austria. The representative Constitu-

tion which was created by the Patent of 1860 had for five years been administered in good faith, and to the satisfaction of the German dominions of the CROWN, by M. SCHMERLING as Minister of State. After the failure of the Absolutism of his youth, the EMPEROR sincerely desired to find himself at the head of a united Constitutional Monarchy. The difference of races, however, and of institutions rendered the success of the experiment impossible. The Poles of Galicia, the Czechs of Bohemia, and the Slavonic tribes on the Turkish frontier resented the predominance of the Germans in the Council of the Empire ; and, above all, the Hungarians, with sound political instinct, refused to surrender their ancestral liberties in exchange for any new-fangled franchises which could be granted at the pleasure of the CROWN. A Parliament to which the kingdom of Hungary steadily refused to send representatives would, even if other non-German provinces had been satisfied, have finally rendered impossible the union which it was intended to create among the different portions of the Empire. The SCHMERLING Ministry was consequently removed from office, and a new Cabinet, with M. BELCREDI at its head, announced the purpose of the EMPEROR to recognize by an entire change of policy the federal character of his complex monarchy. By an irregular exercise of power, only to be excused by public necessity, the EMPEROR suspended the Constitution of 1860 ; and immediately afterwards he summoned the Hungarian Diet, and proclaimed his intention of at last taking the oaths which will enable him to be crowned King of Hungary. The measure has been differently judged in the numerous Provincial Diets which have lately met in the various dominions of the Austrian CROWN. The representatives of the German Provinces argue, with irresistible logic, that a Constitution is by its very nature incapable of legal suspension ; but the Poles, the Bohemians,

and the outlying races, without exception, applaud the determination of the EMPEROR to respect the rights and traditions of all his heterogeneous bodies of subjects. His negotiation with the Hungarians has thus far proceeded with uninterrupted harmony. The Austrian agents in the South-Eastern Provinces have been instructed to promote to the utmost of their power the reunion of the Slavonic dependencies with the Hungarian CROWN, and in his address to the Diet the KING has frankly acknowledged the continuity of Hungarian rights and the validity of the Pragmatic Sanction, which defines the relations of the nation to its elected dynasty. The Diet is asked to modify by its own authority those disputed laws of 1848 which were long supposed at Vienna to have been abrogated by the Austrian conquest of the following year. If FRANCIS JOSEPH is willing to consent to the demand that a Ministry shall be established for the affairs of the Kingdom, no further impediment will delay the coronation on which his legitimate sovereignty depends. When their own rights are assured, Hungarian statesmen will fully understand that the subjects of the same Sovereign must necessarily be united by some legal or practical bond. Although there can be no Supreme Parliament for the entire Monarchy, Hungary may recognize the utility of the Council of the Empire for federal purposes, and in reference to foreign policy. If the EMPEROR succeeds in concentrating in his own person the loyalty and confidence of all his subjects, his tone and attitude in Germany will soon be entirely changed. The weakness and vacillation of Austria have been the natural consequence of Hungarian disaffection, and the coronation at Pesth will announce the revival of one of the great European Powers. In consistency with his recent policy, and in anticipation of recovered independence, the EMPEROR has pardoned all the Galician prisoners

who had been charged with complicity in the Polish insurrection. Russian intrigues among the Ruthenian peasantry of Galicia are supposed to have furnished a reason for a practical protest against the unsparing severity which has been exercised in the adjoining Kingdom of Poland. The pressure of Russia on the States of Europe is, perhaps, less forcible for the moment, as the Government is employed in extending its dominions in Asia, and in eradicating the last remains of Polish and Caucasian independence. A Russian army has during the past year conquered a portion of Khokan; the conscription has once more decimated the youth of Poland, and some tribes of the Caucasus have been forced to emigrate into Turkish territory. The Imperial family has suffered a heavy loss in the death of the CZAREWITCH on the eve of his marriage with the sister of the Princess of WALES. The EMPEROR's second son has in consequence been recognized as heir to the Throne in one of the solemn ceremonies which still impress Russian subjects with religious awe. A possible rival to Russia in the Baltic may, perhaps, derive strength from the late reform which the King of SWEDEN has induced the four Houses of the Storthing to adopt in preparation for a closer union with Norway. As the Swedish Constitution has been rendered more democratic it is hoped that the Norwegians will be induced to abandon their habitual jealousy of their neighbours. The mutilated Kingdom of Denmark has also been engaged in constitutional changes, and hopes are still entertained that the Danish portion of Schleswig may be eventually restored.

The death of the King of the BELGIANS has called the attention of Europe to the condition and the possible danger of his adopted country. His long experience, his acknowledged sagacity, and his skilful use of an exceptional position had made him

independent of domestic parties, and had given him large influence abroad. Throughout his long reign, and more especially during the Continental troubles of 1848, King LEOPOLD caused his subjects to understand that in retaining their Crown he consulted their interest as carefully as his own. His ostentatious indifference was not calculated to conciliate enthusiastic loyalty, but it inspired prudent respect. No competent successor to the Throne could have been readily discovered, and a Belgian Republic would, as in the preceding generation, soon have been transformed into three or four French Departments. The liberties of the country were safe under a KING who thoroughly understood the working of Parliamentary institutions. Too wise to identify himself with a party, LEOPOLD contrived to adjourn during his life the collision between Catholics and Liberals which forms the chief danger of the most flourishing State in Europe. His relations to the great reigning Houses gave him a rank in the circle of Royalty which contrasted strangely with his origin as a younger son of a petty German Prince. He had married in succession the heiress of England and the daughter of the King of the FRENCH. His children were allied by a double marriage to the Imperial House of Austria, and the KING himself was the near kinsman and the confidential friend of Queen VICTORIA and the PRINCE CONSORT. The Emperor NAPOLEON respected a Sovereign who, while he was one of the chief movers of European diplomacy, was both by character and by circumstances incapable of regarding with prejudice the pretensions of a new dynasty. If the Belgians prefer freedom to faction, they are safe, and while they cherish the dynasty they have chosen they will not hereafter be alarmed by any natural change in the occupancy of the Throne.

The foreign policy of England has presented no

difficulty or complication, except in the partially successful efforts of the Government to satisfy American exigency. In the latter part of the Civil War Confederate adventurers and unscrupulous Federal officers had nearly succeeded in embroiling the Government of Canada with the United States. Mr. LINCOLN, however, prudently restrained the violence of his subordinates, and Mr. SEWARD was so far satisfied of the good faith of the Colonial authorities that he contented himself with discourteous despatches, with the institution of a vexatious system of passports, and with inducing Congress to terminate the Treaty which facilitates free commerce between the States and the English Provinces. Although the organs of the dominant party loudly declared that peace at home should be the signal of war with England, it soon appeared that neither the Government nor the people desired to enter on a wanton and wasteful contest. Since the submission of the Southern States the only subject of dispute has consisted in the American demand of compensation for the losses caused by Confederate vessels sailing in the first instance from English ports. Lord RUSSELL, with the aid of the Law Officers, conducted the discussion on behalf of England with excellent temper and with conclusive force of argument. The "British pirates," as the Confederate vessels are called in America, dwindled down to the single instance of the Alabama; and it was shown that in a precisely parallel case the Government of Washington had disclaimed all responsibility for injuries inflicted on Portuguese ships. Although the American claim has not been withdrawn, the controversy is suspended, and the people of the United States will, perhaps, understand in calmer moments that the moral duty of a neutral Government is necessarily measured by its legal obligation. The corn growers and lumber dealers of the North-West will probably press upon

their Government the expediency of renewing the Treaty of Reciprocity. The Canadian Confederation, which would conduct similar negotiations more conveniently than the several Provinces, has not been completed. The maritime Colonies are content with their direct commerce with Europe, and their remoteness makes them comparatively indifferent to the danger of American aggression. The English Government has given the scheme the support of its approval, but it rests with the statesmen of Canada to bring their own policy to a successful issue.

The Colonial Office has not shared the repose of the Foreign Department. New Zealand is still distracted by war with the Maories, by conflicts of authority between the GOVERNOR and his Ministers, and by cross disputes between the Colonial authorities and the Commander of the Forces. The organized rebellion conducted in the name of the native KING has been partially suppressed, but fresh disturbances and murders frequently occur in different parts of the country, and a new and brutal superstition, compounded of confused fragments of missionary doctrine, of fetish worship, and of cannibalism, has revealed the latent barbarism which underlies in the converted savage the thin veneer of civilization. Unless financial difficulties enforce another appeal to the liberality of the Imperial Parliament, or to the confidence of the London Money-market, the colonists will probably persist in their determination to dispense henceforward with the aid of English troops. The GOVERNOR has, at the request of the Assembly, appointed a Commission to devise methods of admitting natives to a share in Parliamentary representation, with the purpose of giving the Maories a final opportunity of amalgamating with the superior race. It may be inferred that all future claims to separate organization, to native sovereignty, and to the tribal possession of land will be sternly repressed.

The Hau-han fanatics will be at once extirpated, and it is not improbable that their countrymen may eventually share their fate. A different class of embarrassments disturbs the tranquillity of the most flourishing Australian colony. The Assembly of Victoria has attempted to pass a protective tariff without the assent of the Council by improving on Mr. GLADSTONE'S celebrated device of including all the supplies of the year in a single Bill. The Assembly has tacked a Bill for imposing and modifying taxes to the annual Appropriation Bill, and consequently the refusal of the Council to submit to the encroachment has disabled the Government from making any legal payment. The problem whether the Constitution of QUEEN, Lords, and Commons admits of transplantation to the Antipodes must be solved, or the knot must be cut by local ingenuity and boldness. The GOVERNOR, however, is the servant of the CROWN, and it is necessary that he should explain to the satisfaction of his employers an apparent violation of law at the dictation of one or two contending parties. Sir CHARLES DARLING has allowed his Ministers to levy duties and to remit debts due to the Government by virtue of mere resolutions of the Assembly. He has also provided for the wants of the public service by illegal collusion with the manager of a bank at Melbourne. His advisers have persuaded him that, although voluntary payments from the Treasury would have been obviously irregular, the law might be evaded by confessing judgment in actions for money advanced by the bank to meet the necessities of the Government. As the case at present stands the GOVERNOR seems to have been guilty of a breach of law, aggravated by a discreditable indirect contrivance. The modern experiment of responsible Government in the colonies can in no degree affect the obligation of Governors to discharge their primary duty of obedience to the law.

A more painful investigation has been rendered necessary by a negro outbreak in Jamaica, which has been repressed and punished by the GOVERNOR with extraordinary severity. The reports from the island have caused much excitement in England, and the GOVERNOR has been provisionally suspended during the progress of an inquiry which is to be conducted by a Commission. Sir H. STORKS has been summoned from Malta to administer the government during the suspension of Mr. EYRE's commission, and the report of the Commissioners will determine whether any permanent change shall be effected in the administration or in the local constitution.

The most important domestic occurrences of the year outside the sphere of party politics have been the appearance of the cattle plague in Great Britain and the Fenian conspiracy in Ireland. Down to the middle of December 50,000 reported cases of cattle disease had in the great majority of cases ended fatally. Although the plague has subsided in some parts of the country, while other districts have thus far been exempt from its ravages, the total number of attacks still increases from week to week. A Royal Commission has recommended a temporary prohibition of all movement of cattle, and local authorities, acting with imperfect concert, under the general guidance of the Privy Council, have in many places suspended cattle markets and fairs. If the evil continues, more stringent measures will probably be adopted, as veterinary science in its present state seems impotent to grapple with the disease. The criminal folly of Fenianism is almost equally morbid and unaccountable. The design of establishing an Irish Republic by American aid appears to have been formed two or three years ago, at a time when animosity to England was professed even more vociferously than usual by all parties in the United States. The plot

exhibits in a concrete form American rhodomontade and the more serious element of Irish disaffection. The Fenian agents were provided with considerable sums of money, arising from contributions by Irish settlers in America ; they imported arms ; they found numerous dupes ready to take oaths and to drill in secrecy ; and as the Federal armies were disbanded a few officers came to take commands in the expected insurrection. The Irish Government had early become acquainted with the secret of the conspiracy, and when the time was ripe for action Lord WODEHOUSE and his subordinates struck the traitors with celerity and vigour. The principal ringleaders were arrested, and, with the exception of STEPHENS, the chief author of the plot, who unfortunately escaped from prison, they have been sentenced to severe, but not excessive, punishments, after conviction by juries in trials conducted with exemplary calmness and impartiality. Although the discontent of the Irish peasantry constitutes a grave political evil, it is in some degree satisfactory to find that the latest project of rebellion has not been countenanced by a single member of the upper classes or by a single Roman Catholic priest. The conspiracy has now contracted into the dimensions of a club, which affects the style of an Irish Government and Legislature in its lodging at New York. In conformity with national tradition, the President is said to have already quarrelled with the Senate, and the entire organization is ridiculed by all sensible Americans. During the recent State elections the Democratic party bid for the Irish vote by professing Fenian sympathies ; but in ordinary times the Fenians are not even respected as serious enemies of England.

Several eminent Englishmen have passed away during the year, and one death perhaps may be found to have closed a long period of political tranquillity. Lord COMBERMERE was chiefly re-

markable as almost the last survivor of the Peninsular Generals. Although his military capacity was never conspicuous, he had been a spirited cavalry officer, and at the age of ninety-four he was regarded with interest as a relic of a past generation. Cardinal WISEMAN approached more nearly to the rank of a historical character as the chief representative in England of the Court and Church of Rome, at a time when the morbid caprices of a few religious amateurs had encouraged a vain belief that in the most Anti-Papal of European nations mediæval orthodoxy could once more be galvanized into a posthumous life. A scholar and an accomplished prelate, exempt from the fanaticism of converts, Cardinal WISEMAN was superfluously disqualified for his impossible mission by an innate or acquired incapacity to understand the nature of Englishmen. His celebrated letter from the Flaminian Gate was only an exaggerated expression of a stilted and florid mode of thought which seems to require the ecclesiastical jargon of Latin as its proper vehicle. Although he was personally respected and esteemed, his unctuous eloquence was intolerable to all tastes except those of effeminate proselytes, whom it was not worth his while to convince or persuade. It seems almost an anachronism that Cardinal WISEMAN, after living and acting in an obsolete world of dreams, should have died within two months of Mr. COBDEN. The different effects of intellectual and moral energy as it is exerted in an arbitrary sphere or in conformity to natural laws are strongly illustrated in the comparative success of Romish propagandism and of economic reform. Mr. COBDEN's career might lend colour to the fancy that whenever a great public object is to be accomplished the fit agent providentially arises. With the forcible pugnacity of a political agitator Mr. COBDEN combined the accuracy and perspicuity of a perfect scientific lecturer.

During the progress of the Corn Law movement his indignant earnestness aroused the attention of the multitude, while his lucid exposition of the true principles of trade satisfied the understanding even of reluctant adherents. Mr. COBDEN probably accelerated by several years the repeal of the Corn Laws, and his triumph was fortunately completed on the eve of the revolutionary storm which swept over the Continent in 1848. The general contentment in which Mr. COBDEN but imperfectly shared is largely owing to his successful efforts, and, although his subsequent projects proved for the most part erroneous and abortive, he is justly regarded as a great national benefactor. His simple and manly character and his kindly disposition attracted attachment and goodwill. He was exempt from nearly all the ordinary failings of self-taught men who have raised themselves from an obscure position. His speeches were expressed in the purest English, and he wrote as well as he spoke. Academic training could have improved him only by inspiring him with respect for the opinions of others which is usually acquired in early intellectual contests. Either through defects of his own, or through some adverse combination of circumstances, Mr. COBDEN, though he held a leading rank in the House of Commons, never proved by official service his title to the name of a statesman. Eloquent, original, and in the highest sense independent, he was, perhaps, incapable of applying traditional rules to the ordinary conduct of affairs. Yet in the negotiation of the French Treaty he displayed all the diplomatic aptitude which was required to complete a bargain with a voluntary and eager contractor. The Emperor NAPOLEON judiciously selected Mr. COBDEN as the medium of his overtures to the English Cabinet, and he was rewarded by the convenience of dealing with a diplomatic agent who was thoroughly free from insular selfishness or prejudice.

The death of Lord PALMERSTON, at the age of eighty-one, is likely to be more fertile of political results. His frequent absence from his place in Parliament during the last Session had shown that his robust constitution was at last yielding to the effect of years. His name, however, served the Liberal party once more during the General Election as the customary pledge and symbol of union. It was commonly remarked that an unusually large majority might, perhaps, be unwelcome to a Minister who was steadily opposed to violent Constitutional changes. The news of Lord PALMERSTON's death in the middle of October, though it could scarcely excite surprise, was received with general regret, not unmixed with anxiety and doubt. It was known that Mr. GLADSTONE would necessarily inherit a large share of his power, and it was surmised that by virtue of official rank and party connexion Lord RUSSELL would succeed to his place. There was reason to suppose that the new Ministers would be more busy than their predecessors, and it was not certain that they would be as prudent or as sagacious. Lord PALMERSTON had grown slowly into the confidence of all classes of his countrymen, and a feeling of affectionate equality confirmed their reliance on his instinctive judgment. Fifty years of official life, including twenty years during which Lord PALMERSTON was the leading diplomatist of Europe, had only strengthened his natural sympathy with the characteristic tastes of Englishmen. His hearty and jovial bearing in public, his wide range of social intimacy and acquaintance, his love of hunting and shooting, and his practical knowledge of the management of land, were all outward signs of his fitness to govern Englishmen as in all respects one of themselves. In more than one daring stroke of foreign policy he had given sufficient proof that his occasional levity of manner was unconnected with

feebleness of purpose. In later years he promoted Liberal principles abroad from a genuine antipathy to despotism, and, in strict consistency, he cherished a free Constitution at home. His great popularity was especially useful in reconciling the more restless sections of his party to the practical predominance of moderate Liberalism. His policy reflected with extraordinary fidelity the real wishes of the country, and even professed dissentients were glad of the excuse of waiting until an inevitable change of Government occurred. Lord PALMERSTON was obnoxious only to reforming zealots and to political purists and pedants. His death furnishes an opportunity of which they will gladly avail themselves, unless they are restrained by the tact and firmness of his successors. Lord RUSSELL, still clinging fondly to the recollections of his prime, is once more desirous of associating his name with a measure of Parliamentary Reform. If he can devise an efficient measure, and at the same time avoid dangerous extremes, he will deserve the gratitude of the country. The future, however, depends more largely on the successful employment of Mr. GLADSTONE's brilliant and varied faculties in the chief conduct of public affairs. It is possible that the responsibility of power may steady and concentrate an intellect already replete with knowledge and overflowing with original energy. If Mr. GLADSTONE can but emulate Lord PALMERSTON's knowledge of human nature, he will probably exercise for the remainder of his public life the influence which belongs to the first of contemporary English statesmen.

1866.

A gloomy, eventful, and ominous year closes to-day in England. A long season of prosperous tranquillity has been interrupted by political agita-

tion, by commercial disturbance, and by consciousness of the relative inefficiency of the national armaments, and of a proportionately declining or suspended influence in the councils of the world. The sources of public wealth are happily untouched, for, in spite of monetary difficulties, the amount of imports and exports has not diminished, nor has manufacturing industry been extraordinarily depressed. The great financial collapse of the spring, though it produced widespread difficulty and distress, represented no diminution in the stock of useful commodities or in the aggregate possessions of the community. Except in a limited number of cases in which capital has been withdrawn from profitable enterprises, losses and gains have, as on a settling-day after a race meeting, been approximately balanced. The hundreds of millions by which the value of securities and fixed investments has been diminished are added to the purchasing power of ready money. The stagnation of the Stock Exchange by the side of an overflowing Money-market, although it reduces thousands of families to real and tangible poverty, is but a transfer of items from one page of a ledger to another. The social and moral evils of a financial crisis are out of all proportion to the collective loss. The sufferers often belong to classes which can ill afford pecuniary sacrifices, and they find no consolation in the indirect advantages which follow from the bursting of commercial bubbles. The panic of 1866 recurred after the unusually short interval of eight years and a half, and there has since been an unprecedented absence of elasticity in the revival of credit. During the early part of the year a high rate of interest indicated unusual pressure ; but it was commonly asserted that trade was healthy, and the failure of one or two country banks was attributed to local causes. In April the greater part of the ordinary stock of the London, Chatham.

and Dover Railway was advertised for sale at an apparently ruinous discount, and it was known that several railway contractors were unable to obtain a continuance of the advances on which their solvency depended. The first week of May was marked by increased disquiet and anxiety, and on the 10th of the month the stoppage of the great discount establishment of OVEREND and GURNEY produced universal consternation. The business had been transferred only a year before by the partners of a well-known firm to a limited Joint-Stock Company; and shareholders and customers had relied with equal confidence on the solvency and prosperity of the undertaking. At the time of the suspension the engagements of the Company amounted to £19,000,000, and traders and speculators depended on its resources for a proportionate supply of accommodation. No single bankruptcy has ever caused so great a shock to credit. The following day produced the greatest agitation which has ever been known in the City, and the Government was compelled, as in 1847 and 1857, to authorize the Bank of England to issue notes beyond the legal limit. It was rumoured that the strongest Joint-Stock Banks were almost drained of their ready money, nor can it be doubted that a slight increase of distrust on the part of the depositors might have produced mischievous results. Two or three banks, including the Agra and Masterman's Limited Company, failed within the week, and several of the new Credit Companies, framed on the French model, were summarily crushed. The rate of 10 per cent. discount imposed on the Bank of England by Government as a condition of the additional power of issue lasted from the 11th of May to the 17th of August, and although the rate afterwards declined rapidly from 8 per cent. to 6, to 5, and to 4 per cent., the price of the Funds and of Shares in Railway and Joint-Stock Companies has scarcely risen

since. For some months after the panic English credit fell into entire disrepute on the Continent, and a Circular from the Foreign Office, containing an accurate explanation of the distinction between scarcity of money and insolvency, appeared only to aggravate the prevailing "suspicion." At home one important class of securities was additionally discredited by the exposure of scandalous irregularities in the financial conduct of the London, Chatham, and Dover and the North British Railways. The most prosperous and solvent Companies suffer from the doubts which have been thrown by unscrupulous Directors and Managers on the reality of their profits, and more especially on the security of their debentures. They will, perhaps, find a partial compensation in the temporary suspension of competitive railway enterprise, resulting from the failure of some of the principal contractors. The financial disasters of the year admit of a less simple explanation than the diminished value of railway investments. The principal cause of the crisis was probably the rapid expansion of trade, unsecured by the provision of an adequate pecuniary reserve. The Joint-Stock Banks retain within immediate reach only a small percentage of their deposits, and the prudent administration of the Bank of England supplies no sufficient power of meeting sudden and extraneous demands for assistance. The new system of Limited Liability has tempted large numbers of small and inexperienced capitalists to invest their money in speculative undertakings. As they were for the most part liable to calls on a large proportion of their shares, painful experience has taught them that the limitation of their responsibility was little more than nominal. Henceforth Companies will probably be constructed on a sounder basis, with a narrower margin of risk to shareholders, and, consequently, with a diminished facility of obtaining extravagant

credit. Financial catastrophes, as they betray the errors in which they invariably originate, tend to cure or to avert for the future the evils which they cause. It is certain that commercial prosperity will revive as far as it depends on the renewal of credit. A graver and more complicated danger consists in the combinations of workmen against freedom of labour. The Trades' Unions, as their organization is perfected, become daily more formidable to their employers and to the community at large. As long as their success consists in the increase of wages at the expense of profits, the question concerns only masters and men ; but arbitrary restrictions rapidly tend to raise prices, to discourage enterprise, and to deprive industry and skill of their natural rewards. Artificial contrivances for raising the price of labour beyond a certain level are as absurd in the presence of Free Trade as a plan of handicapping the horses from a single stable if they had to run in a race open to the world. Staffordshire or Yorkshire Unions may easily make iron dearer ; but, unless they can close the Belgian furnaces, they must fail in their attempt to tax the consumer through the employer. The shallow economists of the workshop have already created an import trade in iron castings, and even in locomotive engines, and joiners' fittings are introduced from northern ports, while carpenters are striking for wages or for the dismissal of apprentices. A scandalous outrage which was lately perpetrated at Sheffield has been followed by a rapid diminution in the trade of the town, nor could the retribution cause a moment's regret if the loss fell exclusively on the abettors of tyranny and persecution. An attempt to murder a poor man, with his family, because he had held aloof from the Saw-Grinders' Union, produced from the Secretary of that body only a mild and conventional censure of the crime, accompanied with an assertion, afterwards sanctioned by the Union, that the contumacy

of the victim was only less culpable than the attempt of the assassin. The moral theories of Sheffield are probably not approved by the great body of English artisans, but the inquisitorial despotism of the Unions scarcely provokes among their members a murmur of opposition. Like the horse in the fable, like volunteers in a regiment, the workmen sacrifice individual freedom for the power, conferred by discipline, of coercing their employers, and in utter forgetfulness of the economic laws which overrule the domestic squabbles of capital and labour.

While the docility and ready organization of the working classes are exciting fears of a decline in commercial prosperity, our great agitator has conceived the project of applying industrial combinations to political purposes. The ready obedience of homogeneous multitudes to the command of self-appointed leaders furnishes a suggestive temptation to ambitious demagogues. Mr. BRIGHT has boasted of having been the first to discern the political capabilities of the Unions, and an unfortunate combination of circumstances has, after long disappointment, enabled him to make use of their organization. As late as Easter his proposal that crowds should assemble in the streets to intimidate Parliament excited neither attention nor response ; but when Mr. GLADSTONE'S unskilful strategy and the divisions of the Liberal majority had proved fatal to the Ministerial Reform Bill, the artisans of London and the great manufacturing towns readily listened to assertions that their claims had been slighted, nor was reiterated misrepresentation wanting to persuade them that their order had been insulted. The Hyde Park meeting, with the partial disturbances which followed, showed the possibility of alarming the upper and middle classes ; and in the course of the autumn vast bodies of men were collected at Birmingham, at Manchester, at Leeds, and at Glasgow to demand universal suffrage

at the bidding of their leaders with the same unanimity they had often displayed in obeying an order to "strike" for wages. Simultaneous meetings were addressed by Mr. BRIGHT in a series of declamations which tended rather to excite the fury of his followers against his political opponents than to convince or conciliate wavering opinion. At Manchester Mr. BRIGHT wantonly referred to the possible contingency of a justifiable rebellion, and on a later occasion he threatened Parliament with the change of peaceable demonstrations into a display of force if resistance to his demands were continued at the opening of the ensuing Session. In the midst of his fiercest invectives he never failed to display his characteristic intolerance of free Parliamentary speech. An unguarded and misinterpreted phrase of Mr. LOWE's was denounced as an insult to the working classes, who were at the same time listening to the fiercest and most calumnious invectives against the House of Commons. The great open-air meetings, including only a single class and one set of opinions have, in the absence of opposition or interference, been peaceable and orderly. Grave apprehensions were aroused by a notice that all the organized working societies of London intended to march through the West-end in procession on the 3d of December. Their leaders boastfully estimated their numbers at 200,000, but the certainty of disturbance and the probability of riot were averted by the disappointment of their anticipations. The march of 23,000 or 25,000 artisans in military order was accomplished with no further inconvenience than the interruption for a day of traffic and business. It will be well if the incompatibility of similar assemblages with the good order of a great capital is understood in London before it has been illustrated, as in Paris, by tragical experience. Large masses of men acting in obedience to the word of command

may, perhaps, not always be instructed to abstain from violence. Some of the agitators of the Trades' Unions have already threatened to reproduce the procession of 1780 to the Houses of Parliament, if they can induce Mr. BRIGHT, like Lord GEORGE GORDON, to receive their petition at the door of the House of Commons.

The gloomy atmosphere of the year has been relieved of two elements of trouble and distress. The Cattle Plague began early in the year to yield to the vigorous measures which had been suggested by the Commission and adopted by Parliament. The strict isolation of infected districts, and the extirpation of the pestilence in places where it raged with unusual virulence, tended rapidly to diminish the number of deaths and of cases of plague. In the South-Eastern and South-Western districts few cattle have been lost during the year, and the greater part of Wales, with Monmouthshire, has retained its exemption from the malady. In the North Midland counties, where the Cattle Plague had been most severe, it still lingers more obstinately than elsewhere, and in the dairy farms of Cheshire many ancient pastures have been ploughed up in despair. The restrictions on fairs and markets, and on the passage of cattle across county boundaries, have, since the beginning of the winter, been generally relaxed ; but breeders and graziers will not breathe freely till the safety of freer intercourse has been experimentally established. The simultaneous alarm which had been caused by the appearance of Cholera in some portions of the Continent has happily passed away. A local outbreak of the disease in the East of London was traced to impurities in the water supply, and after a few weeks it abated. There is reason to believe that improved sanitary arrangements have greatly diminished the risk of epidemics. The deaths from Cholera have not mate-

rially affected the returns of mortality for the year.

The hope that the Fenian Conspiracy would be crushed by the punishment of the convicts under the Special Commission, and by the suspension of the Habeas Corpus Act, has hitherto not been realized. The increasing material prosperity of the country has apparently no tendency to diminish disaffection, and the countenance which is afforded to the plot in the United States encourages rebellion by the hope of foreign aid. It is not likely that the ring-leaders will succeed in commencing the insurrection which has been long and loudly threatened, but arms are constantly imported in small parcels, American adventurers traverse the country with seditious purposes, and the Government have reason to believe that disturbance would immediately result from the relaxation of constant vigilance. In the month of June armed bodies of Fenians had the insolence to invade Canada from the United States, with the certainty of a secure retreat as soon as they were checked by the Colonial forces. The American troops, under the orders of the PRESIDENT, disarmed the marauders on their return, and an ostensible prosecution was commenced against some of their leaders. At a later period the arms were restored, the legal proceedings were dropped, and the PRESIDENT thought himself obliged by political exigencies publicly to profess his sympathy with the so-called cause of Ireland. His SECRETARY of STATE, in a discourteous note to Sir FREDERICK BRUCE, claimed a right of interference with the prosecution of Fenian prisoners in Canada; and in his late Message to Congress the PRESIDENT digressed into an apology for the invasion, although he admitted the violation both of municipal and of international law. It was the obvious intention of the PRESIDENT and his SECRETARY of STATE to outbid, if possible, their Republican competitors for

the favour of the Irish populace. For the purpose of canvassing the Fenian conspirators, and of gratifying the vulgar prejudices against England, Mr. BANKS had in the previous Session, as Chairman of the Committee on Foreign Affairs, introduced two Bills into the House of Representatives, providing respectively for the admission of the British North American Provinces into the Union, and for the relaxation of a Law of Neutrality which has already proved itself not to be sufficiently stringent. Mr. COLFAX, the Speaker, formally received the Fenian President on the floor of the House ; and in both cases the entire Republican party concurred in the outrage on international comity. It is not surprising that ill-informed Irish peasants believe in the sincerity of American blandishments, and that they underrate the irresistible power of England. In the hope of a successful rebellion, to be followed by confiscation of the soil, the lower classes of Dublin listened with contemptuous indifference to Mr. BRIGHT's offer of an alliance on the part of the extreme English Reformers. It was in vain that he recommended his favourite specific, the abolition of primogeniture, and that he propounded an extravagant project of purchasing some of the most flourishing estates in Ireland, to be resold in small portions to the occupiers of the land. The rabble replied by inquiring, in accordance with the doctrines of still more unscrupulous teachers, whether they could not get the land for nothing. In a letter which was afterwards published, Mr. BRIGHT observed that the Irish people would exterminate their landlords if only their island were a thousand miles away. The Fenians overlook the condition which is attached to Mr. BRIGHT's suggestion. No combination of circumstances can be imagined in which the severance of Ireland from the Empire would be tolerated by the English nation. It is

possible that England might be excluded from the Continent of Europe, and that she might abandon her American possessions ; but if it became necessary to prevent Ireland from becoming the dependent ally of a foreign enemy, no controversy as to recruitment or conscription would interfere with the levy of whatever force might be required for an object indispensable to the safety of the Commonwealth. It is as certain that England can retain Ireland as that Prussia could suppress a reactionary revolution in Hanover. On this question there is no division of parties, nor has the least loyal of English factions dared to countenance the pretensions of the Fenian malcontents. The present Irish Government appears to have acted with prudence and vigour, nor has the confidence which was justly reposed in Lord KIMBERLEY been withheld from his successor, Lord ABERCORN. The Roman Catholic clergy, however, who still keep aloof from the Fenian Conspiracy, generally oppose Lord DERBY's Administration.

The American patrons of Fenianism in Ireland regard their dupes only as temporary instruments, and the conspiracy itself as an episode in the politics of the United States. The position and the relative strength of American parties have been largely modified and clearly defined since the beginning of the year. At that time the Democrats and a large section of the Republicans were still contending for the goodwill of the PRESIDENT, although it soon became evident that the majority in Congress were opposed to his scheme of Reconstruction. Early in January the Constitutional Amendment which abolished slavery received the necessary sanction of two-thirds of the State Legislatures, including those of Georgia, of Alabama, and of some other late members of the Confederacy. The SECRETARY of STATE immediately published, in accordance with law, the constitutional acceptance

of the Amendment, and the people of the United States, unanimously believing that slavery has been abolished by law as well as in fact, have virtually admitted that the assenting Legislative Bodies enjoy a legal existence. The protests of Mr. THADDEUS STEVENS and of Mr. SUMNER attracted little attention, although it afterwards appeared that the extreme Republican party commanded a large majority in both branches of Congress. The question of readmitting the South to the benefits of the Union was in the first instance referred to a Joint Committee, and after long deliberation both Houses, on the eve of the summer recess, adopted by the necessary majority of two-thirds a Constitutional Amendment founded on the Report of the Committee. The scheme was in many respects moderate and reasonable, but it included one provision in the disqualification for State and Federal office of all persons who, having sworn allegiance to the Union, had afterwards served the Confederate Government. Mr. SUMNER was defeated in a proposal to insist on universal suffrage, and, by an equitable compromise, it was provided that classes of persons not admitted by State legislation to the franchise should not be included in the calculation of the proportionate suffrage of the States in Federal elections. Clauses for the recognition of the Federal debt, and for the repudiation of the obligations of the Confederacy, were undeniably legitimate applications of the right of conquest ; but the disqualifying clause imposed a stigma on nearly all the eminent citizens of the South, and a disability on the constituencies. In South Carolina and in some other States it would have been impossible, under the terms of the Amendment, to find a representative who had deserved or acquired the confidence of his fellow-citizens. It was highly improbable that the Southern Legislatures would accept a Constitutional Amend.

ment which disqualified the great majority of their own bodies. The Border States, as well as the members of the late Confederacy, have hitherto refused their assent ; and unless Congress assumes that the Union consists for the present of the Northern States alone, there is no prospect of any further change in the Constitution. At the end of the Session delegates from Tennessee were admitted to the privilege of seats in Congress, and the single exception to the policy of exclusion furnished a curious illustration of the anomalies which result from a provisional or dictatorial system of legislation. The constituency of Tennessee was formed by Mr. ANDREW JOHNSON, as military governor of a minority of the citizens, and the senator who represents the State, having held office under the Confederate Government, has been admitted to take his seat by special resolution. The victorious North is morally justified in treating Reconstitution as a bargain or a treaty rather than as a question of constitutional law ; but it is difficult to enforce voluntary and cheerful reunion. Present and prospective loyalty would have been more certainly insured if past differences had been consigned to oblivion.

The PRESIDENT, although at the commencement of his term of office he had inclined to extreme severity, soon relapsed into the Southern and Democratic predilections of his former political career. He sanctioned the formation of State Governments, he urged upon Congress the readmission of Southern representatives and Senators, and he rejected by his veto a Bill for prolonging the powers of the Freedmen's Bureau. An attempt to organize a coalition of the moderate Republicans with the Democrats in support of the PRESIDENT ended in signal failure. The so-called National Union party held a Convention at Chicago, which passed unanimous resolutions in favour of imme-

diate Reconstruction ; but at the subsequent elections the Democrats supported candidates of their own party, and the Republican seceders, loudly denounced by their former associates and slighted by their new allies, found it expedient to fall back into the ranks of the majority. The PRESIDENT had, in the meantime, discredited his own cause by a series of intemperate and undignified attacks upon his adversaries. On WASHINGTON's birthday, he told a street assemblage in the capital that the leaders of Congress were plotting against his life, and in a political tour through several of the Northern States he offended even his own adherents by the violence and ribaldry of his language. On one occasion he ventured to denounce Congress as a usurping body which represented only a section of the Federal Republic. It is not surprising that his adversaries answered his challenge by threats of impeachment, or that the majority of the extreme Republicans was consolidated and encouraged, while the PRESIDENT found himself condemned to helplessness and isolation. In the autumn elections every Northern State gave a majority to the Republican party, although the Democrats polled 1,800,000 out of 4,000,000 votes. In the 40th Congress, which will assemble in March, the PRESIDENT will be opposed by a majority of more than two-thirds in either House ; and even in the outgoing Congress, which met again in December, the dominant party is strong enough to pass all its measures over the Presidential veto. Congress will probably reduce the Southern States to the condition of Territories, and it will then confer the franchise on the negroes and on the small section of the Federalist whites. Time will, perhaps, show whether it is possible to coerce into loyalty or to hold in permanent subjection six or seven millions of American citizens ; but before the experiment has been fully tried the relative strength of

Northern parties may not improbably be reversed, and the Democrats may be anxious to secure their own recovered supremacy by the aid of their ancient Southern allies. One unexpected result of Secession and of the Civil War consists in the increased power of Congress and in the corresponding diminution of the PRESIDENT's authority. Before the war the Senate exercised only occasional control, and the House of Representatives was little more than a Debating Club. The limited functions of the Federal Government were almost exclusively administered by the PRESIDENT, except on rare occasions of legislation for the establishment of Territories, for the admission of States, or for abortive compromises between the North and the South. The vast and rapid increase of Federal power is now accompanied by the rise of Congress to the position of a Sovereign Assembly. Notwithstanding the express prohibitions of the Constitution, the Republican leaders in the Senate and in the House claim a Parliamentary omnipotence which is, perhaps, necessary under existing circumstances, although it conflicts with American theories and precedent. The policy of the Union is drifting rapidly away from the spirit and letter of the document which was once supposed, like the will of SWIFT's famous testator, to provide for all the contingencies of national life. The doctrine of historical development is more indispensable to a great Commonwealth than to the Roman Catholic Church. If a Constitution is not large enough, it must be stretched till it fits, and narrow dogmas must be extended by supplementary tradition, or by a liberal canon of interpretation. Mr. SUMNER has repeatedly asserted that the framers of the Constitution virtually enacted universal suffrage for negroes and for whites, although they were assuredly unconscious of any similar intention. In the same sense the PORE's latest dogma was

implicitly contained in the preaching of the Apostles.

The foreign policy of the American Government has been confined to a modified toleration of the Fenian conspiracy, to an adjournment under protest of the Alabama demands, and to a more active interference in Mexican affairs. A year ago the Emperor of the FRENCH, wisely yielding to obvious necessity, agreed to withdraw his forces from Mexico, and to abandon his not ungenerous designs for the regeneration of that unhappy country. The partisans of JUAREZ, encouraged by their approaching triumph, have pressed on the retreating French and Imperialists, until the greater part of the entire territory has been restored to its former anarchy. The final departure of the French army has, for military reasons, been postponed from the autumn to the following spring, in spite of remonstrances on the part of Mr. SEWARD, which were perhaps intended rather to satisfy his fellow-citizens than to influence the decisions of France. The American Government has lately sent a Minister to JUAREZ, accompanied by General SHERMAN, who is probably directed to arrange the conditions of possible military aid. The experiment of a Latin Empire in the West was doomed to inevitable failure when the American Civil War ended in the complete triumph of the North. The duty of protecting order and civilization in Mexico now devolves on the United States, and it is not impossible that American energy may succeed in a task which will never be accomplished by indigenous resources. For the present the people of the United States will probably prefer the establishment of a protectorate to the annexation of the Northern provinces. In the rest of the Continent their claim of exclusive control requires no immediate assertion in practice. The war of Chili and Peru with Spain has been terminated by a reference to the mediation of Eng-

land and France, and a more remote contest of Paraguay with a confederacy of the Empire of Brazil and of the Republics at the mouth of the Plata proceeds without any European intervention.

The most important event of the year has been the aggrandizement of the Prussian monarchy by the masterly policy of Count BISMARCK, and by the brilliant exploits of the Prussian army. The completion of Italian unity was an episode only second in magnitude to the principal transaction. Venice was conquered for Italy by Prussian arms on the plains of Bohemia, but the victory might have been doubtful if the flower of the Austrian army had not been detained to oppose the Italian forces on the Mincio and the Po. The ancient rivalry between the two great German Powers had long been tending to a final struggle. Only two years have passed since the Austrian Government unwillingly joined in the seizure of Schleswig and Holstein to prevent Prussia from assuming the exclusive championship of Germany against Denmark. The easy conquest of the provinces provided a fresh subject of dispute between two joint possessors whose interests and opportunities of advantage were altogether unequal. At it was impossible to annex any portion of the Duchies to the Imperial dominions, it was the policy of Austria to favour either the hereditary claimant or the alleged rights of the Diet, for the purpose of defeating the ambitious designs of the Prussian Minister. When King WILLIAM met the Emperor FRANCIS JOSEPH at Gastein, in the summer of 1865, Count BISMARCK was ready and eager to bring the dispute to a crisis. Embarrassed by the scruples of his Sovereign, he succeeded in effecting a temporary arrangement which could scarcely fail to produce a final rupture. Prussia assumed the provincial administration of Holstein, while Austria was relegated into the

remoter district of Schleswig. The expectation that the two adjacent Governments would pursue contrary lines of policy, and that Austria would be impatient to terminate an irksome and anomalous state of affairs, was not disappointed. The proposals of Austria for submission to the arbitration of the Diet were steadily rejected by Prussia, and reciprocal complaints were speedily followed by ostentatious armaments on the part of Austria and by more serious and determined preparations on the side of Prussia. In February and March frequent rumours of war alternated, as is customary on the eve of great conflicts, with real or pretended attempts at negotiation, and with rival protestations of peaceable intentions. As soon as the probability of a German war became apparent, all Italy unanimously insisted that the Government should not lose the opportunity of wresting Venetia from Austrian possession. The alliance, which was afterwards embodied in a formal compact, pre-existed in the common interest of Prussia and Italy, and in the resolute determination of the Italian people. Before the middle of May the three Powers were all openly preparing for war, and the ambiguous intentions of France were watched with anxious curiosity. It was known that Count BISMARCK had visited the Emperor NAPOLEON in the previous autumn, and the interview at Biarritz recalled the memory of the celebrated agreement which CAVOUR formally concluded at Plombières. The neutrality of France was indispensable, and the Prussian Minister is believed to have bid high for non-intervention, offering to connive at the annexation of Belgium. His proposed concessions on behalf of Germany were not equally liberal, but the Emperor NAPOLEON was persuaded that Prussia would yield the coal-field of Saarbrück, and that some alterations of the frontier would be granted in the north-east. The ambitious projects of Prussia were less

favourably regarded by ordinary French politicians. In the month of April, towards the close of the prolonged debates on the Address, the Legislative Body expressed strong and general hostility to the union and aggrandizement of Germany ; and M. THIERS represented, with characteristic ability and narrowness, the traditional opinion that the greatness of France is correlative to the weakness and subdivision of all neighbouring States. An Austrian alliance would have been approved by the Legislative Body, and perhaps by the nation at large ; but the EMPEROR is in advance of his subjects, and he especially resented the ill-disguised censure on his policy. In a speech delivered a few days afterwards at Auxerre, the EMPEROR spoke of his critics in the Legislative Body with sarcasm and contempt, declaring, at the same time, his own purpose of abolishing the Treaties of 1815 by furthering the re-adjustment of the balance of power, on the understanding that France should be entitled to an equivalent for every addition to the dominions of foreign States. The EMPEROR's imprudent language excited grave uneasiness for the independence of Belgium, and at the same time it encouraged the designs of Prussia. A subsequent proposal of a Congress or Conference, which had never been seriously pressed, was withdrawn on the refusal of Austria to discuss any alienation or exchange of territory. The plan of a Conference was finally abandoned in the first days of June, and immediately afterwards the Austrian Government, neglecting the warnings of their Commander-in-Chief, rashly precipitated a rupture before their army was ready for action. The majority of the Diet, alarmed by the menaces of Prussia, and irritated by the continuance of the Provisional Administration in the Duchies, relied on the supposed strength of Austria, and determined to support her pretensions. The numbers of the Austrian army were popularly estimated at

half a million ; General BENEDEK was believed to be an abler commander than any of his Prussian rivals ; and Bavaria, Würtemberg, Hanover, and Saxony, with other minor States, were expected to bring large contingents into the field. The quality of the Prussian troops and of their Generals was rashly underrated, and it was believed, on plausible grounds, that the warlike policy of the Minister was distasteful to the majority of the people. For three or four years the KING had been engaged in a conflict with the House of Deputies on the organization of the army. Successive Budgets providing for an extended period of service were enforced by Royal prerogative after they had been rejected by the House ; the privilege of free Parliamentary speech was endangered by Government prosecutions, in spite of the Constitution ; and Count BISMARCK on all occasions expressed his contempt for the representatives of the people, who in turn protested with equal firmness and temper against the usurpations of the Crown. The Minister trusted to victory for the justification of all irregularities committed in the organization of the army. The patriotism of the soldiers who formed the Line and the Reserve was a sufficient guarantee for their conduct in the field. Count von ROON, Minister of War, had brought the army itself and the accessories of the service into a condition of perfect efficiency ; and General von MOLTKE, chief of the KING's Staff, had arranged all the movements of the campaign while the enemy was wasting energy in political intrigues and miscalculating the time required for the concentration of the army. The possession of the only breech-loading muskets in Europe increased the confidence of the Prussian troops, who had proved in the short Danish campaign the advantage of exceptional rapidity of fire. Having prepared all the elements of success, and having arranged all his combinations with the nicest accuracy. Count

BISMARCK confidently awaited the assault of his adversary.

On the 14th of June the Diet, on the motion of Austria, voted the mobilization of the army, with a view to Federal execution in Holstein. The Prussian Government replied by a declaration that the German Confederation was dissolved, and on the 18th it declared war against Austria. The Italian declaration of war followed on the 19th, but Prussia had already secured many of the objects of the war. On the 16th Prussian troops entered Hanover, Hesse Cassel, and Hesse Darmstadt, and three columns, according to a preconcerted plan, advanced by as many different routes into Saxony. The confederates of Austria were paralysed by the suddenness of the attack. The Bavarians, who were to have taken part in the operations with 100,000 men, were not ready before the end of the campaign. A Federal army which covered Frankfort remained inactive until the Austrians had been crushed, and the Hanoverians, after engaging in a useless combat for the vindication of their military honour, surrendered to the Prussian Generals. Schleswig and Holstein, with all Western Germany north of the Main, were conquered almost without a blow ; but the easy defeat of the minor Confederates would have been unprofitable if the fortune of war in the principal campaign had been favourable to Austria. Marshal BENEDEK had been compelled by the premature action of his Government to allow the Prussians to anticipate him in the occupation of Dresden. The Saxon army retired before superior forces to join the Austrians in Bohemia, and alone among the contingents of the smaller States performed good service to the common cause. Prince FREDERICK CHARLES advanced rapidly through Saxony towards the Bohemian passes, while the Prince of PRUSSIA moved in a parallel line through Silesia to the Eastern openings in the mountains.

Both armies combined their movements with the aid of constant telegraphic communication, and General VON MOLTKE directed the course of the campaign from head-quarters at Berlin, joining the army in company with the KING only on the eve of the decisive battle. Some military writers hold that Marshal BENEDEK might have defeated the Prussian columns in detail as they issued from the mountain passes into the plains of Bohemia. On the other side it is urged that failure would have exposed the Austrian army to severance from its base of operations, and to the risk of absolute ruin. In a succession of combats during the last week of June the Prussians uniformly obtained the advantage, either through the superiority of their small arms, or as a consequence of the better and more uniform quality of their troops. The Italian regiments in the Austrian service were disaffected, and the Hungarians were lukewarm in the Imperial cause. The best portion of the army, consisting chiefly of German soldiers, was occupied in winning barren triumphs in Venetia, while the destiny of the Empire depended on the result of the Bohemian campaign. Nevertheless, in the final struggle victory for a time seemed doubtful and BENEDEK only yielded to overwhelming numbers. Having sustained a check at Nachod from General HERWARTH, who commanded the Prince of PRUSSIA's advance, the Austrian commander abandoned the hope of preventing a junction of the Prussian armies, and after some minor engagements, in a district already famous in the campaigns of FREDERICK the GREAT, he took up a position at Sadowa, on the right bank of the Elbe, which in that neighbourhood flows from north to south. On the morning of the 3d of July the army of Prince FREDERICK CHARLES, nominally commanded by the KING in person, commenced the attack on the Austrian lines. Towards the middle of the day,

when fortune was inclining to the Austrians, the Prince of PRUSSIA, having marched at early dawn, came into line, like BLUCHER at Waterloo, on the left wing of the Prussian army. The Austrian centre at Chlum was broken, and it only remained for BENEDEK to commence a hasty retreat. But for the slackness of the Prussian cavalry in pursuit the Austrians would have been destroyed or scattered, but BENEDEK crossed the Elbe in safety with the remains of his force, and he eventually halted at Olmütz. The numbers engaged at Sadowa were as great as at Leipsic, and the results were as decisive as those of Waterloo. The long contest between the Houses of HAPSBURG and HOHENZOLLERN has ended with a fortnight's campaign and with one great battle. The Austrian Government found it impossible to reorganize their beaten army, and it would have been dangerous to ask further aid from the discontented provinces. Bohemia and Moravia displayed alarming indifference ; Hungary was more actively disaffected, and even in Vienna itself popular feeling was opposed to useless efforts and sacrifices. Within a day or two from the battle of Sadowa the Austrian Government made an awkward overture for peace by suddenly surrendering Venetia to the Emperor of the FRENCH.

In Italy the honour of the Austrian arms had been exceptionally sustained. As soon as war was declared, General DELLA MARMORA, resigning his office as Prime Minister to Baron RICASOLI, took the command, under the KING, of one division of the regular army, while General CIALDINI, with 100,000 men, prepared to cross the Lower Po on the east of the Quadrilateral fortresses. On the 24th of June the KING and DELLA MARMORA crossed the Mincio in force ; but it is still uncertain whether their movement was originally intended as a feint to cover the passage of CIALDINI. The first corps of the KING's army marching against the railroad

between Peschiera and Verona was attacked and overthrown by the main body of the Austrians. Other portions of the Italian army were not in time to support their comrades, and after a gallant struggle, in which the valour of the soldiers offered some compensation for the faults of the Generals, the KING was obliged to retreat across the Mincio, and CIALDINI necessarily remained on the right bank of the Po. The battle of Custozza inflicted severe disappointment on the Italians, and the attainment of the great object of the war has but partially relieved their vexation. Their irritation was increased by the strange conduct of the Austrian Government in surrendering Venetia, not to Italy, but to France. This useless act of homage had been unwisely extorted by the Emperor NAPOLEON with the double result of alienating the Italians, who substantially profited by the transfer, and of proving his own inability to reward by any substantial service the unbecoming deference of Austria. In answer to the announcement of the surrender of Venetia, the Prussian and Italian Governments simultaneously declared their determination to prosecute the war, but Italy was not destined to acquire military glory in addition to territorial aggrandizement. After the battle of Custozza neither DELLA MARMORA nor CIALDINI attempted any active operations, and GARIBALDI fighting in the Italian Tyrol, with an undisciplined and ill-supplied force of Volunteers, failed to obtain any considerable success. The national mortification was largely increased by the defeat of Admiral PERSANO by Admiral TEGETHOFF in a naval action near the island of Lissa. The Italians have now learnt by painful experience that patriotic enthusiasm is an inadequate substitute for strategic skill and for administrative vigour. The Prussians had prepared beforehand all the conditions of success, and they were governed by a statesman who knew

now to use great resources. The Austrian army was finally assembled on the left bank of the Danube, as if to cover Vienna ; but the Government yielded to the conviction that further resistance was impossible, and preliminaries of peace were arranged on the 21st of July and signed on the 26th. The terms of peace were perhaps harsh, but they were dictated by prudent foresight, as it was indispensable to assert the exclusive supremacy of Prussia in Germany. With the exception of Venetia, which had been already relinquished, no Austrian territory was surrendered ; but Austria was forced to relinquish all Federal connexion with the German States. For the extinct German League two new confederacies of unequal magnitude were for the time created. To the north of the Main, Prussia was to exercise military and diplomatic control, while Southern Germany was prohibited from forming any political connexion with Austria. No stipulations in favour of the allies of Austria were admitted ; but, in deference to the intercession of France, Saxony was allowed to retain a qualified or nominal independence. It is uncertain whether the Austrian Empire will survive the shock of Sadowa. The EMPEROR still hesitates to concede the Hungarian demand for separate and independent administration ; in Bohemia he is urged to establish national institutions, and in Galicia he is disturbed by Russian intrigues against the dominant Polish race. Even the German Provinces waver in their loyalty to the Imperial House, since their personal allegiance has become incompatible with their relations to the rest of Germany. The only advantage which Austria has obtained by the war consists in the relinquishment of a dangerous and costly position in Italy. The Italians, on the other hand, notwithstanding the wounds inflicted on their self-esteem, have now the opportunity of reducing their army, and they are relieved from the

presence of any foreigner in the Peninsula. The Emperor NAPOLEON insisted on the idle and obnoxious ceremony of an appeal to universal suffrage, and the inhabitants of Venetia, including the clergy and the Bishops themselves, unanimously annexed the provinces to the Kingdom of Italy. The only exception to the national sovereignty now consists in the city of Rome and in the narrow dominions of the Holy See. In pursuance of the Convention of September, 1864, the Emperor NAPOLEON has withdrawn the French garrison, and the POPE is defended only by a small army of mercenaries and by the engagements of the Italian Government. At present he shows no inclination to reconcile himself to Italy, and he has on one occasion publicly given way to undignified anger against the Emperor of the FRENCH. Baron RICASOLI and his colleagues have prudently allowed the exiled Italian Bishops to return to their sees, and they offer to PIUS IX. unlimited spiritual liberty on condition of temporal recognition.

The Prussian Government has consulted the patriotic feeling of Germany by raising itself to the rank of a great national Power. On the outbreak of the war, Schleswig and Holstein were secured without a blow; the Kingdom of Hanover, the Electorate of Hesse Cassel, the Duchy of Nassau, and Hesse-Darmstadt, north of the Main, have been since annexed to Prussia. In the other Northern States the army and the foreign representation are also transferred to the management of Prussia, and the Southern Governments, under the pressure of their subjects, are eagerly applying for Prussian friendship and for eventual admission into the Confederacy. After the brilliant triumphs of his policy, Count BISMARCK has acknowledged the Parliamentary rights which he had formerly infringed, and the House of Deputies has wisely condoned acknowledged irregularities in consideration

of splendid services. A North German Parliament is about to be elected by the inauspicious method of universal suffrage to confirm the German unity which has been practically attained. It is not improbable that the title of King of Germany or of Emperor of the Romans will be revived in favour of the Royal House.

The rapid growth of Prussian power has been regarded with ill-concealed dissatisfaction in France. Soon after the conclusion of peace, either to satisfy popular demands or for the purpose of furnishing a practical commentary on the errors of popular opinion, the Emperor NAPOLEON formally applied to the Prussian Government for the cession of Saarbruck. The reply that it was impossible to surrender any portion of German territory was but a new version of the maxim that a strong man armed keeps his house in peace. It was useless to prolong the discussion, nor has the Emperor of the FRENCH cause to reproach himself for abstaining from the prosecution of an impracticable purpose. He has committed but two errors during the German war—in his menacing speech at Auxerre, and in his acceptance of the cession of Venetia ; yet it is certain that his popularity, and the general confidence in his wisdom and fortune, have been shaken by the Mexican failure and by the establishment of a great German Monarchy. An attempt to reassure opinion by a reorganization of the army appears to be a third mistake. On the idle pretext of a possible German invasion, the French Government proposes to embody in a reserve the entire class which has hitherto been liable only to the chance of conscription. The scheme would provide in time of war an army of 1,250,000 men, including a mobilized National Guard of 300,000. It appears that modern France is aware of the grave social and moral disadvantages of maintaining an extravagantly numerous army. The EMPEROR'S

project is universally condemned, and it is believed that even the Legislative Body will hesitate to pass the necessary Bills. England is the only European State of the first order which really needs an increase of military strength. Continental Governments, with their power of conscription, already condemn to idleness or unprofitable employment too large a part of the population.

The great events of the German and Italian wars have thrown into the shade the transactions of secondary Powers ; but Spain is, perhaps, on the brink of a revolution, and the Eastern Question has been affected by more than one important occurrence. Early in the year a military insurrection, promoted by General PRIM, was defeated rather by the indifference of the army than by the vigour of the Government. Failing to secure the adhesion of the garrison of Madrid, PRIM effected a leisurely retreat into Portugal, leaving his real or supposed accomplices to be punished with unsparing severity. Marshal NARVAEZ, acting in concert with the private advisers of the QUEEN, has established an unscrupulous despotism, disposing of all his adversaries by death or transportation. The time has, happily, passed in which foreign Powers thought it necessary to interfere in the obscure and unintelligible politics of Spain. A judicious readiness to acquiesce in accomplished facts has been exhibited on the opposite extremity of Europe. In the month of February Prince ALEXANDER COUZA was deposed by an insurrection at Bucharest, and Prince CHARLES of HOHENZOLLERN, a remote kinsman of the King of PRUSSIA, having penetrated into the country in disguise, was elected, with apparent unanimity, to fill the vacant Throne. The inhabitants of the Principalities had long desired a ruler who should be a foreigner of Royal or Princely blood. Prince CHARLES is said to add respectable personal qualities to the required conditions ; and the English and

French Governments have persuaded the PORTE to grant him investiture of the Principalities. Russia remains aloof, notwithstanding her friendly understanding with Prussia, with the intention rather of noting the breach of existing treaties than of objecting for the present to the new dynasty. The establishment of a permanent Government in the Danubian Principalities would, however, offer a serious obstacle to future encroachments on the side of Turkey. Russian intrigues are probably not inoperative in a Cretan insurrection which has for several months defied the power of the Ottoman Government. The movement is openly fostered by the Greeks of the Kingdom, and it may possibly end in the annexation of the island to Greece. France has, however, hitherto discountenanced the movement, while England has remained neutral. The American Government seems disposed to furnish a curious commentary on the Monroe Doctrine, by taking a part for the first time in the politics of the Levant. An obscure passage in the PRESIDENT'S Message refers either to the Cretan insurrection or to a plan for establishing a naval station in the Mediterranean.

The recent English policy of withdrawing as much as possible from foreign complications is not likely to be reversed during Lord STANLEY'S tenure of office. In England the creation of a North German Power was generally regarded with satisfaction, not unmixed with anxious reflections on the comparative weakness of a small volunteer army. Political attention is principally directed to domestic questions, and more especially to military organization and to Parliamentary Reform. The position of Lord DERBY'S Government is necessarily undefined, as he has only held office at the end of a Session and during the Recess. The disadvantage of representing a minority has, perhaps, been virtually removed by the consequences of Mr. BRIGHT'S

agitation. Mr. GLADSTONE has been abroad during the autumn, and his future intentions have not been disclosed ; but on the opening of the Session, if Mr. DISRAELI should propose a reasonable measure of Reform, Mr. GLADSTONE must choose between his "former colleagues and allies" and the small Parliamentary section which follows Mr. BRIGHT. The great body of Liberal members will prefer the settlement of the Reform controversy to the party pretensions which were paramount in 1859. The erection of the necessary edifice is more important than the choice of a presiding hero or a patron saint. The conventional right of Lord RUSSELL and Mr. GLADSTONE to give their names to a Reform Bill has been waived for the present by the errors of judgment and deficiency in tact which caused or excused the defeat of the Bill of 1866. The country cares little whether the Conservatives are entitled to the honour of performing a task which has become indispensable to the national welfare. It is not forgotten that the Duke of WELLINGTON passed Catholic Emancipation, and that Sir ROBERT PEEL repealed the Corn Laws. If Lord DERBY, by reconciling his party to a liberal extension of the suffrage, disarms the demagogues who endanger public safety, he will be at liberty to settle the question of the political consistency of himself and his colleagues with his party, with his conscience, and with future history.

1867.

The political and commercial gloom in which the year 1867 commenced still hangs over its close. The sky, as Mr. DISRAELI lately said, is at best gray and colourless, and, perhaps, he was too sanguine when he added that no storms are impending. The horizon has thus far not been cleared by the effects

of his great legislative experiment. The cheerful enthusiasm which attended the passing of the Reform Bill of 1832 is replaced by anxious doubt and general distrust. The discontent which is still cultivated by political agitators in England is, perhaps, superficial or factitious ; but the abuses of Trades' Unions indicate grave social disorganization, and the growing insolence of the Fenian conspirators bodes ill for the tranquillity of Ireland. Commerce and credit have not displayed their wonted elasticity in recovering from the disasters of 1866. A rate of discount ranging from one to two per cent. has failed to stimulate enterprise ; and the fresh disclosures of irregularity and unsoundness in the affairs of railways and other joint-stock undertakings have discouraged investment. The embarrassments of the Brighton, of the North British, of the Great Eastern, of the Great Western, and, above all, of the London, Chatham, and Dover, and the doubts which have arisen as to the financial condition of the Caledonian Railway, press heavily on the credit of the most prudent and prosperous Companies. The recent failure of the Royal Bank of Liverpool has once more illustrated the peculiar risks of banks administered by traders, whose interest in obtaining undue accommodation is likely to prevail over their regard for the protection of their shareholders. The actual or probable collapse of the French *Crédit Mobilier* has thrown discredit on speculative Finance Companies ; and ruinous litigation under the Winding-up Acts produces a reasonable distrust of almost all undertakings which depend on associated capital. As production and foreign trade have not suffered in the same proportion with the transactions of the Money-market, there is reason to hope that derangement of credit and suspension of confidence affect the shadow rather than the substance of national prosperity. Nearly all the embarrassed Railway Companies will

gradually retrieve their affairs by the natural increase of traffic and by the abandonment, by the provisions of an Act of last Session, of burdensome branches and extensions, and painful experience cannot but suggest some practical securities against the more obvious forms of joint-stock mismanagement. A more permanent and formidable danger awaits English industry in the form of false economic theories which purport to benefit the working classes by rendering their labour dearer and less productive. To the true doctrine which identifies the good of the community with the enlightened pursuit by each person of his own interests, the sophists of the 'Trades' Unions have opposed on one side a selfish antagonism of classes, and on the other an artificial equality among privileged workmen. The criminal violence which is sometimes used to enforce an arbitrary and unnatural law proceeds, by a natural transition, though not in logical sequence, from the fundamental error of a protective system applied to labour. The legitimate objects of the 'Trades' Unions are overlaid by elaborate attempts to handicap ability and industry, and to exclude competition. When it is once assumed that the final object of production is not to supply the wants of consumers, but to benefit the producers, prejudiced artisans readily draw the conclusion that as it seems their interest to appropriate the largest possible share of the profits of industry to their own class, it is their duty to divide their gains among themselves with approximate equality. A complacent consciousness of self-sacrifice blinds the skilful artisan who has renounced the advantage of his own ability in favour of his fellow-workman to the injustice he may have inflicted on his employer, to the harsh exclusion of unprivileged competitors, and, above all, to his voluntary limitation of the divisible profits of industry. Private as well as public legislation

which runs counter to natural laws provokes constant resistance, and the Trades' Unions have often yielded to the temptation of substituting irregular tyranny for moral persuasion. Early in the year a Commission was appointed to consider the different questions connected with Trades' Unions; and a collateral inquiry into outrages which had been committed at Sheffield led to the alarming revelation that deliberate murders had been habitually perpetrated by the officers of the Sawgrinders' Union and paid for out of the common funds of the society. A similar organization among the brick-makers and bricklayers of Manchester had resulted in crimes scarcely less atrocious; and it was perceived that, in the birthplace and metropolis of Free Trade, the importation of indispensable building materials from the neighbouring districts was in practice strictly prohibited. Crimes committed in maintenance of a theory seldom want apologists; but the Sheffield outrages might have been deemed too monstrous to be avowed or palliated, if the members of the inculcated Union had not openly sympathized with the actual murderers, and if educated patrons of combination had not publicly extenuated atrocities which they affected faintly to disapprove. The inquiries of the Trades' Union Commission have already shown that minute and despotic interference with the arrangement and processes of industry is more mischievous than the occasional resort to a "strike." In two or three instances during the year workmen have been defeated in conflicts with their employers by the introduction of competitive labour into their respective trades. The Brighton Railway Company, after a short interruption of traffic, adjusted a serious dispute by concessions to the workmen. The North-Eastern Company baffled a similar combination by supplying the places of the malcontents from without. A "strike" of the working tailors of London

adroitly timed at the beginning of the season, was maintained through the summer months by the aid of zealous efforts to prevent rivals from accepting employment. A judicial decision that organized annoyance and intimidation constituted an indictable offence at last put an end to the "strike" by crippling the machinery on which it depended for existence. The best chance of convincing the working classes of their economic mistakes is to be found in the necessary conflict of interests between members of the Union and strangers. The leaders of the Unions wish to make every trade a close corporation, differing only from the mediæval guilds in its hostility to the employer; nor does any provision for the excluded multitude form a part of the system. The daring proposal that the surplus population of the towns should be reabsorbed by the rural districts through a division of lands has but lately been suggested by an agitator who is not immediately connected with the Union.

The Reform League, which had made itself notorious during the preceding summer and autumn, was enabled by the mismanagement of an amiable and timid Minister to obtain an apparent triumph over lawful authority by holding a meeting in Hyde Park, at the beginning of May, in defiance of a proclamation. It appeared, on a legal investigation, that the undisputed right of the CROWN to exclude any persons from the Royal Parks was secured only by the civil remedy of an action for trespass, which would be entirely useless as a mode of preventing a political meeting. At the last moment the Government prudently withdrew an impracticable opposition, and the meeting passed over without disturbance or excitement. It has probably been discovered that, in the absence of definite grievances, the working population of London is not disposed to waste time and to create alarm by turbulent gatherings. No assemblages of the kind have been

convened since the spring, although the orators of the League endeavoured to make their club a permanent centre of promiscuous agitation. Their President was lately forced by his colleagues to retract a hasty censure of Fenian treason and murder ; yet there is little reason to suppose that the self-elected patriots of the League command any popular sympathy. A rival association, headed by Mr. POTTER, and probably representing a greater number of working men, excluded the League from participation in a festival which was held to celebrate the great transfer of political power effected by the Reform Bill. Notwithstanding the progress of Democracy, Englishmen are not yet prepared to be governed by the vicious agency of Political Clubs. The Fenian organization, with its material in Ireland and its root in the United States, might well cause uneasiness, if it had not excited astonishment by its unscrupulous and unparalleled audacity. In the month of February, within a few days after Ministers had announced the early restoration of the *Habeas Corpus* to Ireland, a band of conspirators, directed by former officers of the American army, planned a surprise of the Arsenal at Chester ; and when their designs were casually defeated, the whole body escaped with perfect impunity. The attempt to commit open acts of hostility on English soil at first excited incredulous surprise ; but later experience has shown that a society long accustomed to law and order is necessarily unprepared to resist acts of abnormal violence. Soon after the failure of the intended attack on Chester, the Fenian leaders commenced in different parts of Ireland an insurrection which proved completely abortive. In the neighbourhood of Dublin, in Kerry, and at Drogheda half-armed bodies assembled early in March with the obvious purpose of compelling the Government to dissipate its military force. The army was rapidly

disposed so as to crush any attempt at rebellion; but its services were scarcely needed. The admirable conduct of the police justified the confidence which has been habitually reposed in the loyalty and courage of a purely Irish force. Attacked in small detachments, or besieged in lonely barracks, the police everywhere repelled and defeated their assailants; and in a few days the insurrection was crushed almost without bloodshed, while many of the chief conspirators remained in the custody of the law. In the trials which followed, the juries, as in the previous year, discharged their duties with impartial firmness, proving that the middle class was still generally exempt from the contagion of treason. After some hesitation, the Government, in compliance with the general wish, commuted the capital sentence in favour even of the chief conspirators, finding a fair excuse for clemency in the abstinence of the rebels from wanton outrage, and in the bloodless collapse of the insurrection.

In the autumn the activity of the conspirators was once more transferred to England. A prison-van, containing two Fenian leaders who had been arrested, was attacked in the suburbs of Manchester by a body of armed men; a sergeant of police, who refused to surrender his charge, was killed, and the prisoners were rescued, although several of the ringleaders in the outrage were captured. A trial, under a Special Commission issued early in November, resulted in the conviction of the principal conspirators for murder, and of several of the other rioters for minor offences; and, in accordance with the deliberate judgment of the sound portion of the community, the man who fired the fatal shot, with two of his armed accomplices, was executed, in spite of the protests of their rebellious associates, of the morbid sympathy of demoralized philanthropists, and of a legal quibble, which was reproduced in the House of Commons after it had failed at the trial

so perplex the vigorous intellect of Mr. Justice BLACKBURN. The convicts, as a last resource, had affected to court martyrdom in the character of Irish patriots, and a few feeble sentimentalists were disposed to extenuate the crime of murder because it was identified with treason. Any moral confusion of right and wrong which might have disturbed popular opinion in England was effectually corrected by the extraordinary insolence of the disaffected Irish. Before the execution a seditious rabble, having been refused an interview with Mr. HARDY, actually held a meeting at which treasonable speeches were delivered within the walls of the Home Office, and, by inexplicable weakness on the part of the Government, the ringleaders were allowed to retire without interference or punishment. A funeral procession in honour of the victims of the law afterwards disgraced the streets of London, and the same method of defying justice and order was adopted in Ireland on a larger scale. The plea for mercy which had been founded on the mixed motives of the Manchester convicts soon took the form of apologies for self-sacrificing patriots and of open threats of vengeance against England. While a prosecution was pending against some Orangemen in the North who had violated the Party Processions Act, the Fenians were allowed to celebrate mock funerals in Cork and other towns, and Lord DERBY, with characteristic levity, excused the Government for allowing the seditious demonstrations by a gratuitous assertion in the House of Lords that the Fenian processions were not illegal. The conspirators profited by his admission to arrange additional processions in Dublin and in all the principal towns of Ireland, while their newspapers were filled with provocations to anarchical violence and to civil war. It was not till the second week in December that a proclamation was issued against the Fenian processions, the result of which

proved that the boldness of the rebels had depended on the timidity of the Government. The audacious design of holding similar demonstrations in the principal towns in the North of England was abandoned as soon as it was known that the great mass of the population was prepared to support the local authorities in maintaining order. At Liverpool the Orangemen announced their purpose of suppressing the Fenian procession by force, if the magistrates neglected their duty. A crowning act of atrocity illustrated the close connexion between reckless depravity and folly. Encouraged by their success in elevating the Manchester murderers into heroes of the rabble, the conspirators determined on accomplishing a second rescue in the heart of London. It was thought desirable to release two of their accomplices, who were confined in the Clerkenwell House of Detention under a remand, and at the same time to strike the peaceable population with terror. In the afternoon of the 13th of December a barrel of gunpowder was exploded against the wall of the prison, making a breach through which the prisoners might have escaped if they had not, in consequence of an anonymous warning, been removed to another part of the building. The explosion, as the authors of the plot must have foreseen, created fearful devastation in the neighbourhood. Many houses were partially destroyed or seriously injured, and about fifty persons, all of the poorer class, including a large proportion of women and children, were wounded, maimed, or killed. Five or six of the sufferers died on the spot, or afterwards in the hospital, and many of the survivors will feel the consequences of the explosion for life. Although the Clerkenwell outrage differs only in degree from the Manchester murder, promiscuous slaughter of the unoffending occupiers of a back lane in London strikes the popular imagination more forcibly than a revolver fired at a

constable. The certainty that the explosion was planned by the Americanized-Irish who manage the conspiracy has silenced and, perhaps, temporarily converted, the most lawless of English Demagogues, and only the wildest of the rebel journalists in Ireland take the opportunity to boast of the vengeance which has been inflicted on their enemies. But for the suffering and losses of the poor inhabitants of Clerkenwell, the Fenian Gunpowder Plot might be regarded with feelings of un-mixed complacency. Unscrupulous cruelty may sometimes serve the purpose of a tyrant or of a dominant faction—as in the suppression of heresy by PHILIP II., or in the establishment of Jacobin supremacy by the guillotine ; but the results of the Old Gunpowder Plot, of the supposed murder of Sir EDMOND BURY GODFREY, and of the recent assassination of Mr. LINCOLN might have taught even Fenians the lesson that it is not the interest of a weak minority to provoke horror and moral aversion.

The unsatisfactory character of the history of the year has been sustained by an untoward complication which compelled the Government to call Parliament together for a short autumn Session. The King or Emperor of ABYSSINIA has for some time detained in captivity several English subjects, including Captain CAMERON, who held a Vice-Consulate on the Egyptian seaboard. The original provocation consisted in Lord RUSSELL's neglect to answer a letter addressed by the Emperor THEODORUS to the QUEEN ; and the cupidity and irritability of an uncivilized Potentate probably suggest many other motives of oppression. Two years since Mr. HORMUZZ RASSAM, a Syrian Christian, who had been employed in the English service, was despatched on a mission to effect the release of the prisoners ; but, after a friendly reception from the capricious Chief of Abyssinia, he was ultimately

compelled to share their captivity. The propriety of releasing the prisoners by force had been often urged on the Government, and in August last Lord STANLEY intimated to the House of Commons the possibility of an Abyssinian Expedition, although no decision had then been adopted. A fortnight later Parliament was informed, in the Speech from the Throne, that the Government had determined upon war; and soon afterwards the preparations were actively commenced. The change in the purpose of the Government seems to have been caused by the assurances of Mr. SEYMOUR FITZGERALD, Governor of Bombay, that a sufficient force could be despatched to Abyssinia before the close of the year. Sir ROBERT NAPIER, who was appointed to command the Expedition, recommended that all the troops should be drawn from the Presidency of Bombay; and an army of more than 10,000 men, furnished with elaborate equipments, is now about to attempt an enterprise in which natural obstacles are more to be feared than armed resistance. At the present time only a portion of the force has landed, and we have but just heard that the Commander-in-Chief has sailed from India. The outlay already incurred exceeds two millions, and an equal sum will be required, on a moderate estimate, for the winter campaign. For the provision of supplies, and that the war might be sanctioned by Parliament, it became necessary to hold a short Session in November. There were some discrepancies between the statements by which Lord DERBY and Lord STANLEY respectively explained the sudden change in the policy of the Government; but, although Mr. LOWE strongly censured the conduct of Ministers in commencing the war without Parliamentary authority, the House of Commons was rather anxious to receive information than eager to criticize facts which had become irrevocable. Sir STAFFORD NORTHCOTE, in

an elaborate exposition of the causes of the war, and of the preparations of the Government, weakened his case by dwelling on the expediency of impressing the people and Princes of India with the power and resolution of England. The proper business of the Session was accomplished by the addition of a penny in the pound to the Income Tax, and by the assent of the House to the proposal that a part of the cost of the war should be defrayed from the balances in the Exchequer. In the event of a further demand, the expense of the war will probably be distributed in the same proportions between the revenue and the capital account. Neither House was disposed to discuss ordinary political questions during the unseasonable autumn Session; but Lord RUSSELL forced upon the House of Lords a project of education so crude that his errors were exposed by the Duke of MARLBOROUGH. In the House of Commons Mr. GLADSTONE showed no disposition to embarrass the Government, and he performed a public service by discountenancing an ill-judged effort to obtain for the Manchester prisoners the benefit of an irregular appeal to the Judges. Political controversy has been generally suspended in the country, as within the walls of Parliament; but Lord DERBY and Mr. DISRAELI have celebrated the passage of the Reform Bill at great meetings of their supporters; and Mr. GLADSTONE and Mr. BRIGHT have at a later period proclaimed their continued hostility to the present Government. At Manchester Lord DERBY repeated in substance the explanation of his motives which he has more than once addressed to the House of Lords. There was in his opinion no reason for allowing the Liberal party a monopoly of the advantages of a Reform Bill, and he was himself resolved not to be driven from office for a third time on the same troublesome issue. Mr. DISRAELI, at Edinburgh, was less cynical in the confession of

his motives, having apparently persuaded himself that he had always favoured Household Suffrage because he had probably never shared the prejudices which he had certainly not discouraged. With unusual rashness he boasted that he had "educated" his party into their recent and sudden convictions. It would, perhaps have been more judicious to devise some theory of justification which might be used by the followers as well as by the leader ; but the retrospective controversy is happily becoming obsolete, nor was Mr. GLADSTONE himself as successful in reviving the dying interest in the history of Reform as in proving, in five elaborate orations delivered in two days, that his copious eloquence and his comprehensive earnestness are still available for the service of the country and of the Liberal party. Mr. BRIGHT, speaking at a meeting at Rochdale, held to commemorate the election of his brother for Manchester, condemned with his customary strength of language the conduct of the Conservative Government, and insisted on the necessity of a redistribution of seats, of vote by ballot, and of sweeping legislation for Ireland. Those who take pleasure in political agitation may congratulate themselves on the knowledge that the Reform Bill is not likely to deprive them of their favourite employment.

While domestic prospects have seldom been cheerful, Lord STANLEY's prudent conduct of Foreign Affairs has given general satisfaction. Genuine sympathy with a system of policy prescribed by public opinion gives a Minister great advantages ; and no statesman represents so fully as Lord STANLEY the prevailing inclination to abstain, as far as possible, from all embarrassing engagements. He has, unfortunately, not succeeded in arranging the dispute which the American Government carefully keeps open as a pretext for quarrel in some possible contingency. More than

once Lord STANLEY has offered to refer the Alabama claims to arbitration ; but Mr. SEWARD insists on including in the joint submission to award the conduct of the English Government in recognizing the belligerent character of the Confederates at the outbreak of the war. A demand evidently made with full knowledge that it can never be conceded is only a circuitous mode of closing a negotiation. There is at present no reason to fear that the litigious diplomacy of the United States will be followed by hostile measures, although the PRESIDENT and his opponents in Congress, the leaders of the Democratic and Republican parties, concur in the ostentatious encouragement of the Fenian conspiracy. The attention of American politicians is really turned to grave matters of internal policy, and even the purchase of the Russian territory in America and of two Danish islands in the West Indies has only afforded a passing satisfaction to the national complacency. The reconstruction of the Southern States, although it is formally in progress, must probably be hereafter recommenced. In a series of Acts passed over the veto of the PRESIDENT Congress provided for the assemblage in each Southern State of a constituent Convention, to be elected by universal suffrage, subject to the disfranchisement of all persons who had taken an active part in the civil or military service of the Confederacy. In the meantime the Southern States are provisionally governed by military commanders, although the standing army of the United States is reduced to 60,000 men. Military government is, in fact, less distasteful to Southern citizens than the negro supremacy, which seems likely to be nominally and temporarily established. The Conventions have in nearly all the States been elected by negro majorities, and they are guided by the advice of extreme Republican politicians. If their labours are not interrupted by.

political events, the new Constitutions will reproduce the anomalous distribution of power which characterizes the Conventions themselves. Yet it is absurd to suppose that seven or eight millions of white Americans will permanently acknowledge the superiority or equality of their liberated slaves. The autumn elections in the North have exhibited the reaction which could not fail to be provoked by ultra-Republican legislation. For the first time since the war, the States of California, Pennsylvania, New York, and New Jersey were carried by the Democrats ; and in Ohio an amendment in the State Constitution for the admission of negroes to the franchise was defeated on a popular vote by an overwhelming majority. Despairing of carrying the Presidential election of next autumn in favour of one of their own leaders, the Republicans seem generally disposed to fall back on the personal popularity and the colourless politics of General GRANT, and, although the Reconstruction Acts will not be repealed by the present Congress, violent legislation is practically suspended. The Judiciary Committee has lately reported in favour of the impeachment of the PRESIDENT, and if the recommendation had been offered six months ago it would almost certainly have been adopted ; but the State elections have convinced the extreme Republicans that they have overshot their mark, and the motion for impeachment has consequently been rejected by a majority of two to one. The Congress which will be elected during next year, to commence its sittings in December, will probably concur with the future President in some measure of Reconstruction which may give the negroes the protection to which they are entitled, while it withholds powers which they are utterly incompetent to exercise. An agitation for the partial repudiation of the National Debt, though it has been countenanced by some of the leading members of both parties, will probably be

overruled by the national sense of expediency and of honour.

The history of the rest of the American Continent seldom commands or deserves attention ; but one tragic event has brought two great European Governments into painful relation with a semi-civilized Republic in the West. In deference to the irresistible urgency of the Government of Washington the French troops evacuated Mexico in the early spring, and the Emperor MAXIMILIAN might have retired with his imperious protector if he had not imagined that his honour was concerned in continuing the contest for his Crown. From the departure of his allies his cause became rapidly and visibly hopeless, and, having quitted the capital in the early summer, he was besieged in a provincial town, and betrayed to the enemy by a Mexican officer whom he had loaded with benefits. The captors, with useless cruelty, shot their EMPEROR by court-martial, and it was only after long delay that they afterwards allowed his family to receive his remains. Some time before the Empress CHARLOTTE, having proceeded on an unavailing mission to Europe, had in consequence of suffering and anxiety been temporarily deprived of her reason. No romantic adventure has at any time ended in the more entire defeat of all the political and personal hopes which it had excited. The Emperor MAXIMILIAN expiated by the ruin of his private happiness and by a violent death the generous error of exchanging his luxurious leisure at Miramar for the attempt to regenerate and civilize a barbarous and incapable race. The Emperor NAPOLEON, who originated the dreamy project of raising up the Latin race in Mexico as rivals of the Anglo-Americans, has gravely compromised his reputation for wisdom, and the not less indispensable belief in his fortune, by the collapse of a chimerical enterprise. In the southern

portion of the continent the war carried on by Brazil and the republics at the mouth of the Plata against the hereditary Dictator of Paraguay has just been brought to a conclusion ; and, on the west, Peru and Chili are still nominally at war with Spain, although no further attack has been made on their coasts.

Marshal NARVAEZ, who has for several months been once more Prime Minister of Spain, has always discountenanced the aggressive policy of his predecessor O'DONNELL, who lately died while he was believed to meditate a plot against the Government. The vigour of the present Minister, exhibited in a stern system of repression, crushed in the course of the autumn a military conspiracy which at one time seemed likely to be formidable. General PRIM, who was expected to head the movement, was baffled in his attempts to cross the French frontier into Spain, and the regiments which were to mutiny on his behalf were afraid or unwilling to commence the revolt. As the cause of freedom is not likely to profit by the success of military insurrections, foreigners regard with equanimity the disappointment of military adventurers who have not yet fought their way to office. In the early part of the year there seemed to be some risk of a misunderstanding in consequence of the high-handed proceedings of the Spanish Government to the crew and owners of a vessel which had been seized on strong grounds of suspicion as a Chilian man-of-war. A second controversy was caused by the unjustifiable destruction of an English ship by a Spanish revenue cruiser ; and in both cases the ultimate settlement of the dispute did credit to Lord STANLEY's temper and firmness. The domestic administration of Spain would lead a theorist to foretell an immediate revolution. Constitutional forms survive, while the Government is conducted by an alliance between the priests and nuns, who

direct the conscience of the Court, and the soldiers who control the army. The finances of the State are in disorder ; but the country enjoys considerable prosperity, and the abuses which seem intolerable at a distance are perhaps rendered less obnoxious by familiarity.

It would be well if Turkey could be left, like Spain, to settle its own difficulties without risk to the peace of Europe. The internal discontent of a part of the population of the Empire would involve little danger if every disorder were not habitually fostered by the implacable enemies of the PORTE. In deference to the advice of France and England, the Turkish Government has deprived the Servians of all reasonable pretext for hostility by evacuating Belgrade and the other garrison towns of the Principality on the simple condition that the Imperial and Servian flags should be hoisted together on the citadels, in token of the feudal superiority of the SULTAN. Attempts to excite disturbance in Bulgaria were defeated by the loyalty or peaceable disposition of the population, and Greek marauders who had crossed the frontier into Thessaly utterly failed to excite a rebellion ; but the Cretan insurrection, which commenced in the summer of 1866, is still maintained by the countenance of Russia and the active aid of Greece. At the beginning of the year the insurrection seemed to have subsided ; but the skill and daring of the Greek cruisers baffled the vigilance of the Turkish squadron ; and OMAR PASHA, at the head of a formidable army, failed to subdue the mountain tribes. The Greeks of the kingdom openly violated neutrality in the confidence that Turkey will not be allowed to practise any effective retaliation ; and their hopes of aid and patronage are encouraged by the recent marriage of King GEORGE to a daughter of the Grand Duke CONSTANTINE of Russia. In dealing with foreign Powers Turkey can only count on the

good faith and good will of England and Austria, although, after strange vacillations, France at present inclines to the maintenance of the existing order of things in the East. The Russian journals are filled with constant menaces of interference in Turkey. General IGNATIEFF has repeated at Constantinople the haughty language which was formerly used by Prince MENSCHIKOFF; and the Emperor ALEXANDER in a personal interview, threatened FUAD PASHA with the consequences of the supposed disregard by his Government of the rights of the Christians. It is more surprising that the French Government has used language almost equally overbearing, and that its ships of war have, in concert with Russian cruisers, been employed in removing non-combatants from Crete to the mainland of Greece. About three months ago a request was addressed to the PORTE by Russia, France, Prussia, and Italy, that representatives of the four Powers should be included in a Commission which was about to examine, on the spot, into the grievances of the Cretan insurgents. On the refusal of the Turkish Government to abdicate its sovereignty, the four Powers solemnly renounced all responsibility for the consequences in a Note which seemed preparatory to a declaration of war. As Prussia had no direct interest in the question, while Italy was otherwise occupied and was wholly incapable of interfering, the concurrence of France in the Russian menace was an almost unintelligible diplomatic paradox; nor is the riddle solved by subsequent French declarations of cordial friendship to Turkey, and of a determination to co-operate in the Eastern policy of Austria. Official writers at St. Petersburg assert that the Emperor of the FRENCH was until lately anxious to secure the neutrality of Russia in an expected conflict with Northern Germany, and that since the risk of war has passed over concessions in the East have been

withdrawn. As France has now reverted to her normal and legitimate policy, Russia will probably for the time suspend any direct attack upon Turkey. At home the Emperor ALEXANDER and his Ministers are fully employed in suppressing the language and the separate existence of Poland ; and the tender regard for religious freedom which prompts interference on behalf of the Christians of Turkey is not found incompatible with the systematic persecution of the Roman Catholics throughout the Empire. In consequence of the prohibition of ecclesiastical intercourse between the Roman Catholic clergy and the Holy See, the POPE has broken off his diplomatic relations with Russia. While the Eastern difficulty still smoulders, the progress of the Russian arms in Central Asia is regarded in India with growing anxiety. The expansion of Russian power eastward is perhaps the more probable because the pressure on Europe which was exercised a generation ago by the Emperor NICHOLAS is not likely to be resumed. A reform in the Swedish Constitution, which renders practicable a closer union with Norway may, perhaps, tend to perpetuate the exclusion of Russian influence from the Scandinavian countries ; and, notwithstanding the close intimacy which prevails between Berlin and St. Petersburg, the establishment of a Power of the first order in the centre of Europe presents an impassable barrier to Russian intrigue and ambition.

Count BISMARCK has proceeded with equal vigour and prudence in the consolidation of the North German Confederacy. In the course of a single year he has met three Parliaments, representing respectively the old Kingdom, the enlarged Monarchy, and the Northern League. His differences with the Liberal representatives of Prussia have been skilfully evaded or adjourned, and a widely extended suffrage secured the Government a majority in the North German Parliament. The

civil administration of the new provinces has been definitively arranged, and the military organization of the whole Confederacy has been adapted to the Prussian system. Liberal appanages have been granted to the dethroned dynasties of Hanover, of Nassau, and of Hesse Cassel, and it seems that the King of SAXONY has reconciled himself to his subordinate position. The Grand Duke of HESSE DARMSTADT lately incurred a sharp and merited rebuke by his presumption in accepting a French invitation to a European Conference. On the same occasion Saxony had properly referred the French Minister for an answer to the chief and sole representative of the Confederacy. The judgment of Count BISMARCK has been conspicuously displayed in his mode of dealing with premature overtures for the admission of the Southern German States into the League. While he has steadily rejected the pretensions of foreign Powers to interfere in the internal arrangements of Germany, he has discouraged immediate agitation by refusing to consider the separate admission of any single State. When M. ROUHER boasted to the French Legislative Body that the Treaty of Prague had divided Germany into three, Count BISMARCK replied by publishing treaties concluded in the summer of 1866, by which Bavaria, Württemberg, and Baden agreed, in the event of a foreign war, to place their troops under the command of the King of PRUSSIA. As he more than once suggested to the German and Prussian Parliaments, the military conventions and the Customs Union effected many of the purposes which would have been accomplished by complete amalgamation. Experience afterwards proved that the economical interests of the Southern States alone sufficed to insure political deference to Prussia. The Deputies of Württemberg, and the Upper House in Bavaria, refused in the first instance to pass the Bills necessary to provide for

the performance of the military conventions ; but an intimation that the rejection of the treaties would involve immediate exclusion from the Customs League produced a speedy retraction of the obnoxious votes. For purposes of defence and of commerce, all Germany, with the exception of the Austrian provinces, is united ; and the result of the Luxemburg dispute affords a practical guarantee against any dismemberment of the national territory.

While Prussia has skilfully improved the advantages of victory, Austria has profited not less largely by the lessons of defeat. Baron BEUST, summoned from the Government of a petty State to regenerate a distracted Empire, has been the first among Austrian Ministers to recognize the need of a remedy which went to the root of the disease. In the course of a single year the grant of independence to Hungary and of constitutional freedom to the Western half of the Monarchy, has removed nearly all the discontent which had paralyzed the strength of the Empire. Russian intrigues among some of the Slavonic tribes produced the same kind of annoyance which is caused in England by the American encouragement of the Fenian agitation ; but the Bohemians are not likely to carry their jealousy of their German countrymen so far as to transfer their allegiance to a Russian despot. Baron BEUST had scarcely replaced Count BELCREDI as Prime Minister when the EMPEROR conceded the demands which had long been preferred in vain by his Hungarian subjects. A separate and responsible Ministry for Hungary was constituted under the Presidency of Count ANDRASSY ; and in the month of June FRANCIS JOSEPH, after a provisional reign of eighteen years, was crowned at Pesth, having at last complied with the indispensable condition of swearing to maintain the ancient Constitution of the kingdom. The ceremony was performed with

mediæval splendour, in the midst of an enthusiasm scarcely to be found among more sophisticated nations. The difficulty of governing two free and reciprocally independent countries will try the sagacity of Austrian and Hungarian statesmen; but the alternative experiment of creating a factitious and illegal unity had already been found hopeless and disastrous. Having reconciled Hungary to the dynasty of HAPSBURG, Baron BEUST lost no time in assembling the Council of the Empire at Vienna, to adopt a Constitution for the Western provinces, and to adjust the relations between Austria and Hungary. The sincerity of the EMPEROR in his constitutional policy has been satisfactorily proved by his answer to a memorial from the dignitaries of the Church against a revision of the Concordat with Rome. The prelates, who had deliberately affected to rely on the prerogative in disregard of Parliamentary authority, were gravely reminded by the EMPEROR that their petition must be considered by his responsible Ministers. The antiquated character of the ecclesiastical pretensions was curiously illustrated by the circumstance that the Prime Minister is himself a Protestant. In his foreign policy Baron BEUST has discountenanced the designs of Russia against Turkey, and, without rejecting the proffered friendship of France, he has avoided all cause of quarrel with Prussia. If the House of HAPSBURG cherishes any desire of recovering its former position in Germany, the realization of its wishes has been prudently adjourned.

Italy has been less wise and less fortunate than her Northern neighbours. On the defeat of his Bill for the disposal of Church property Baron RICASOLI resigned, and he was succeeded by RATTAZZI, who in his former administration had been regarded as a partisan of France. In consequence of financial difficulties the army had been largely reduced, and peace was the indispensable condition both of

national solvency and of the improvement in internal administration which was urgently required. The perverse impetuosity of a heroic but wrong-headed adventurer defeated the objects which were desired by all reasonable Italians. From the early spring GARIBALDI and his followers began preparations for an attack on Rome ; and in September the signal for the outbreak was given by the assemblage of a Peace Congress at Geneva, which assumed the functions of a committee for propagating universal anarchy and war. After delivering a bombastic speech to the Congress, GARIBALDI recrossed the Alps to rejoin his levies on the Roman frontier ; but, in deference to French remonstrances, or from an independent regard to the interests of the country, he was arrested on his way and conveyed to his home at Caprera. His bands, nevertheless, entered the Roman territory, notwithstanding the efforts of the Italian troops collected on the border ; and Rome itself seemed exposed to danger. The history of the contemporary negotiations is obscure, for the statements of the French Ministers to the Legislative Body have been formally contradicted in the Italian Parliament, and they are partially disproved by the published despatches. The September Convention, which had provided for the removal of the French garrison from Rome, had been virtually violated by the formation of a body of Papal troops, called the Antibes Legion, consisting of soldiers who still retained their position in the French army. During the summer a French General, on a special mission, reviewed the Legion, and reminded the men that they were still subject to French military law ; and, in an official letter, Marshal NIEL, Minister of War, repeated the statement of his subordinate. The Italian Government still acknowledged the obligation to fulfil the Convention ; but in his alleged inability to check the progress of the insurgent bands, the Prime

Minister proposed an immediate advance on Rome for the nominal purpose of protecting the POPE. The KING, under the pressure of French diplomacy, and, perhaps, influenced by personal scruples, refused his consent, and accepted the resignation of RATTAZZI. General CIALDINI in vain attempted to form a Ministry; and, after an interval of confusion, General MENABREA undertook the thankless task of reconciling his country to the inevitable humiliation of submitting to French dictation. Before his Government was fully constituted the hopeless conflict was already decided, and the Italian regiments, which by RATTAZZI's order had entered the Roman territory, were necessarily recalled. The French Government, which seems at one time to have favoured the project of a joint intervention, on learning the designs of RATTAZZI, peremptorily forbade the march of the Italian army, and hastily despatched an expedition from Toulon to Rome. GARIBALDI, who had escaped from Caprera at the end of October, defeated the Papal army at Monte Rotondo; but on the approach of the French troops he was marching in the direction of the frontier, when, on the 3d of October, he was attacked by a combined force of French and Papal troops at Mentana, and his half-armed force, after a gallant resistance, was defeated with heavy loss. The French Commander described the cause of his victory in a phrase which may perhaps become proverbial, by informing his Government that "the Chassepot has done wonders." Having humbled and alienated a grateful ally, and resumed the burden which had been temporarily removed by the September Convention, the French Government has since rashly pledged itself to a perpetual guarantee of the Papal possessions, without imposing on the Holy See any condition or stipulation. The folly of GARIBALDI had inflicted a heavy blow on Italy, while it had involved France in serious

embarrassment ; but the French Government is chiefly responsible for the later and more inextricable complications which have ensued. In the recent Session the Italian Parliament has exhibited deep resentment towards France, and General MENABREA has failed to obtain a vote of confidence.

To the Emperor NAPOLEON the year has not been fortunate, although he has entertained in his splendid capital many of the chief potentates of Europe. He has suffered a heavy loss by the death of his ablest financial adviser, M. FOULD, who had retired from the Cabinet at the beginning of the year. His promise to relax the restrictions on the freedom of the Press and on Parliamentary debate has not yet been performed, but the newspapers have been less frequently harassed by prosecutions, and the Legislative Body has for the first time urged the Government beyond its intentions in the direction of an anti-liberal foreign policy. The sentiment of patriotic vanity has been profoundly wounded by the failure of the French enterprise in Mexico, followed by the death of MAXIMILIAN, and by the abortive result of several attempts to check the aggrandizement of Prussia. By a secret negotiation with the King of HOLLAND, as Grand Duke of Luxemburg, the Emperor NAPOLEON had agreed to buy the province, although the fortified capital was held by a Prussian garrison. On the disclosure of the arrangement the North-German Parliament represented the national repugnance to surrender a German province, and for several weeks it was supposed that France and Prussia were on the verge of war. By the efforts of England and of Russia, which at the time was cultivating friendly relations with France, a Conference held in London discovered a plausible compromise between the rival claims. As Luxemburg formed no part of the North German Confederation, the occupation of the fortress, which had been vested in the old Con-

federacy by the Treaties of Vienna, was held to have lapsed ; and in consideration of the demolition of the fortress France agreed to waive the benefit of the questionable bargain which had been concluded with the GRAND DUKE for the purchase of his subjects and territory. Later in the year the rumours of war were revived by an ill-judged visit of the Emperor NAPOLEON to Salzburg for the professed purpose of condoling with the Emperor of AUSTRIA on the tragical death of his brother. There can be no doubt that the Emperor NAPOLEON hoped both to conclude an intimate alliance with Austria and to re-establish the protectorate over the smaller Southern States which had been formerly exercised by France. Success in one object was, perhaps, dependent on the attainment of the other, and the absence of the Sovereigns of Bavaria and Wurtemberg from Salzburg was equivalent to a formal profession of continued adherence to the Prussian alliance. The Grand Duke of BADEN soon afterwards, in a speech to his local Parliament, urged the expediency of seeking admission into the North German Confederation. The French official journals were instructed to announce that the Salzburg visit had been prompted by no political motive, and it was obviously true that it had resulted in no political advantage. Count BISMARCK, who had already exhibited his powers of irony by the opportune publication of the South German treaties, issued a Circular, in which he recorded with almost imprudent sarcasm the purely ceremonial objects of the Salzburg journey. It was impossible, he said, to suppose that France would have attempted an interference in German affairs which Prussia would never have endured. The irritation which had proceeded from Germany was afterwards visited on Italy. The combat of Mentana was intended to prove that the French Army was still powerful and efficient ; and on the meeting of the Senate and Legislative Body

at the beginning of winter, M. DE MOUSTIER found that moderately contumelious language addressed to Italy was not strong enough to satisfy the exigency of the representatives of the nation. An elaborate speech, in which M. THIERS contrasted the achievements of the Empire with his own doctrine that the greatness of France depends on the weakness of her neighbours, excited the enthusiastic applause of the Legislative Body, and provoked from M. ROUHER a series of wanton insults to Italy, and a pledge to protect perpetually the temporal power of the POPE. A measure by which the numbers of the French army in time of war will be largely increased is probably designed to reassure public opinion after a policy which has consisted in respecting the strong and humbling the weak. The real strength of France, depending on material prosperity and industry, had been illustrated by the Great Exhibition of Paris, which was visited by the King of PRUSSIA, by the Emperors of RUSSIA and AUSTRIA, and by several other Sovereigns and Princes. The Emperor ALEXANDER fortunately escaped the attempt of one of his Polish victims to assassinate him while he was in the company of the Emperor NAPOLEON.

India and the colonies have enjoyed unbroken political tranquillity, except that Victoria is still engaged in the solution of a Constitutional puzzle, arising from a collision between the Council and the Assembly. Some Indian provinces are, however, suffering from the famine which had previously desolated Orissa, and on the opposite side of the world the West Indies have been visited by extraordinary tempests. In a Durbar lately held at Lucknow, Sir JOHN LAWRENCE has received the homage of the landholders of Oude, who now appear to have become sincerely loyal to the English Government. The British Provinces of North America have formally assumed the title of the

Dominion of Canada, and the experiment of Confederation or Union for the present promises favourably. The Colonial Office, once the most onerous Department in the Imperial Government, is now in a great measure relieved of its legislative and administrative functions. The anxieties which weigh on the country and its statesmen relate almost exclusively to domestic interests.

1868.

The year which ends to-day will be remarkable in the domestic history of England for the close of one political period and the quiet transition to another. The question which chiefly occupied the last Session has been practically settled by the result of the General Election, and by the consequent change of Government; but a decision which had been plainly foreseen causes little excitement, and the country awaits the proceedings of the new Parliament without any unusual anxiety. The Fenian outrages which only twelve months since had produced a general feeling of nervous irritation have almost been forgotten, although the murder of Mr. D'ARCY M'GEE in Canada and the attempted assassination of the Duke of EDINBURGH in Australia illustrated the reckless and inveterate malignity of the more fanatical members of the Fenian body. In Ireland the conspiracy has been suspended, or is dormant; but there is, unfortunately, little reason to suppose that dissatisfaction is permanently diminished. The political tranquillity which, notwithstanding the occurrence of the election, has prevailed throughout the United Kingdom is not to be attributed to exceptional prosperity. The commercial depression which has lasted since the Spring of 1866 still continues, and the low rate of interest indicates both the stagna-

tion of regular trade and the natural indisposition of capitalists to embark in speculative adventures. In the last days of the year the announcement that the Lancashire cotton-mills are about to work half-time proves that one of the chief branches of English industry is still suffering from want of demand. The traffic returns of railways exhibit a similar want of elasticity ; but the gradual cessation of the controversies on revenue and capital which were eagerly prosecuted in the early part of the year represents an improvement in the condition of the Companies, as the financial confusion of their affairs has been gradually disentangled. While an unusually productive harvest has cheapened food and diminished the necessity for purchases of foreign grain, the hot and dry summer which ripened the wheat crop was extremely unfavourable to the production of roots and fodder, though even this shortcoming has been much alleviated by the unusual mildness of the weather up to the New Year.

A curious and isolated episode diverted attention for a time from the ordinary course of political events. The determination of the Government to reclaim the Abyssinian captives and to punish the wrongdoer had been attended rather by acquiescence in the necessity of the enterprise than by sanguine anticipations of success. There could be no doubt of the ability of English and Indian troops to overcome any resistance which could be offered by barbarians in the field ; but the alleged impenetrability and unhealthiness of the country were exaggerated by timid imaginations ; and there was obviously a risk that the Emperor THEODORE might escape with his captives, on the approach of the army, into some distant and inaccessible province of the interior. The result of the Expedition disappointed unfavourable prophecies and afforded an unwonted gratification to national complacency.

The Ministry had judiciously committed the entire conduct of the campaign to an experienced and scientific officer, who was liberally provided with all material conditions of victory. In disregard of the counsels of officious advisers, Sir ROBERT NAPIER took with him a force numerous enough to form a reserve and to maintain his communications, and guns of the most recent manufacture were dragged through mountain defiles by elephants, then used for the first time in African warfare since the days of Carthage and of Rome. It was necessary to make a road for four hundred miles through forests and over precipitous ridges ; and the advance, although it was necessarily slow, was prosecuted without respite or unnecessary delay. By the use of conciliatory language and of well-timed munificence, the Commander secured the neutrality or assistance of the local Chiefs, and native assistants were hired to diminish the incessant labour of the troops. The climate of the country, after leaving the coast, was found to be agreeable and healthy ; and the army had no difficulties to contend with, except the physical obstacles of rivers, ravines, and precipices. It only remained to rescue the prisoners who were confined in the fortress of Magdala, which the Emperor THEODORE, engaged, as usual, in a war with rebel subjects, had recently entered. On the 10th of April Sir ROBERT NAPIER obtained an easy victory over the Imperial troops in front of Magdala ; and on the 12th he stormed the fort itself, having previously obtained the liberation of the captives. The eccentric EMPEROR died by his own hand in the course of the brief struggle ; and the English General, having attained his object, immediately retraced his steps to the coast and evacuated the country. His losses had been merely nominal, nor had he met with any enemy worthy of the name ; but he had accomplished a difficult and

uncertain enterprise with mechanical completeness and precision. Englishmen have at last learnt by repeated experience to prefer judgment and foresight to a costly reliance on valour. The well-calculated advance to Magdala may possibly be less glorious than the blundering heroism of Balaklava, but it is far more satisfactory. It may be doubted whether any previous war in ancient or modern times has been undertaken and finished so exclusively under the influence of feelings of duty. The conventional or traditional suspicions of foreign critics were dispelled by the proof that the English Government and nation had never coveted the most insignificant harbour on the coast ; nor were the temporary relations which had been established with the Abyssinian Chiefs used as a pretext or foundation for any permanent connexion. Large sums were expended and considerable risk was incurred for the sole purpose of vindicating the national honour by the release of a few obscure English subjects, who had incurred captivity while in the employment of the CROWN. It was justly felt that the whole community must pay the cost of the imprudence which had tempted a half-civilized potentate to commit the outrage.

The proceedings of Parliament in two successive Sessions had been mainly preparatory for the contest which in its different stages occupied the whole of the autumn. In 1867 Mr. DISRAELI had remodelled the constituencies, with the professed hope of penetrating to a stratum of Conservative feeling which was said to underlie the Liberalism of the lower middle class. When Mr. GLADSTONE, in 1867, obtained the support of the existing House of Commons to his proposal for abolishing the Irish Establishment, Mr. DISRAELI, then Prime Minister, appealed to the future Parliament from the representatives of a moribund constituency. It is doubtful whether he deceived either himself or

his more intelligent adherents ; and, long before the commencement of the election, it became certain that the Government would be defeated by a large majority. The new borough electors, as had been foreseen, for the most part voted with the Liberal party, and the returns during the first days of the election showed a majority against Mr. DISRAELI of three to two. The balance was in some degree redressed by the county elections, which were largely favourable to Conservative candidates ; and there were some remarkable exceptions to the general disposition of the constituencies of large towns. All the divisions of Lancashire, including a large manufacturing population, returned Conservative members, notwithstanding the canvass of Mr. GLADSTONE in the south-west, and of the heir of the great family of Cavendish in the north. It is more surprising that the majority of borough members in the county should belong to the same party, although it was through the operation of the Minority Clause that a supporter of the Government headed the poll at Manchester, while the Liberals of Liverpool by the same means returned one out of three candidates. It is generally believed that the paradoxical politics of the Lancashire towns may be explained by the popular prejudice against the numerous Irish immigrants. In the early part of the year an itinerant agitator had caused disturbances in some of the large northern and midland towns by declamations against Catholic doctrines and practices. Feeling or professing zeal for Protestantism, riotous mobs attacked Roman Catholic chapels, and the Irish population was not backward in resenting the insult. The angry feeling which remained probably affected the result of the elections in the towns of Lancashire, although there may, perhaps, be unknown local causes for the unpopularity of the Liberal party. The country

districts were converted long since to Conservatism by the officious arrogance of the rump of the Corn Law League ; and it seems probable that the newly enfranchised county voters in villages and in the outskirts of towns may feel the repugnance to change which was ignorantly attributed to the working classes. In several of the metropolitan counties, where the occupiers of small villas and comfortable cottages are most numerous, the Liberal candidates were defeated. In Middlesex their failure was explained by disreputable squabbles and consequent mismanagement ; but in West Kent and in Mid-Surrey, which is one large suburban village, the Conservative victory probably represents the genuine opinion of the electors. It is not necessary to suppose that either in Lancashire or on the banks of the Thames the maintenance of the Irish Church excites any enthusiastic feeling. The issues which occupy the thoughts of professional politicians and the attention of Parliament are not always the determining causes of local triumphs or defeats. The Liberal majority in the new Parliament is large enough for practical purposes ; and it would not have been desirable that the Opposition should be insignificant and powerless. The personal character and social position of the members of the reformed House of Commons have reassured, and, perhaps, prematurely reassured, many anxious politicians. There are as many rich men and men of family as in any former Parliament ; and candidates belonging to the working class, or affecting specially to represent it, were uniformly unsuccessful. Mr. BEALES failed in the Tower Hamlets ; Mr. ODGER was compelled to retire from Chelsea ; Mr. ERNEST JONES was defeated at Manchester, and Mr. BRADLAUGH at Northampton. If the constituencies prove to be as unexacting as they have been moderate in the exercise of electoral power, there will

be no revolutionary legislation ; but the character of a great constitutional change is not to be appreciated from a single experiment. The exclusion from the House of some Parliamentary veterans excites a natural feeling of regret. Mr. MILNER GIBSON was one of the victims of the Lancashire reaction ; while Mr. BERNAL OSBORNE at Nottingham, and Mr. ROEBUCK at Sheffield, paid the penalty of their disregard of party discipline or of popular opinion. The defeat of Mr. MILL at Westminster was explained by his occasional exhibitions of oddity or imprudence, as in his subscription to support Mr. BRADLAUGH's canvass while he refused to share in the expenses of his own contest ; and perhaps the constituency, since the evaporation of a short-lived enthusiasm, had become conscious of the incompatibility of its own modes of thought with the impulses or refinements of an impetuous philosophic theorist. The University of London appropriately commemorated its acquisition of electoral privileges by returning one of the most accomplished of politicians and orators when he had temporarily incurred, by his resistance to popular demands, the disfavour of ordinary constituencies. Only an educated body of electors could be expected to understand that an opponent of Parliamentary Reform might, nevertheless, be one of the most thorough-going Liberals on all questions connected with the distribution of political power. Notwithstanding the criticisms which have been lavished on the commonplace character of the new House of Commons, the composition of Mr. GLADSTONE's Government shows that there is still to be found in Parliament a large supply of political and administrative ability. As soon as the result of the election was fully known, Mr. DISRAELI prudently retired with his colleagues from office, and, at the same time, he advised HER MAJESTY to intrust Mr. GLADSTONE with the forma-

tion of a new Ministry. Since the dissolution of the ABERDEEN Government, in 1856, no Cabinet has included ability so great and so various. Mr. BRIGHT, Mr. LOWE, and Mr. GLADSTONE himself would have been remarkable for their intellectual power, even if they had not attained to the first rank as orators ; and Mr. CARDWELL, Lord CLARENDON, Lord GRANVILLE, and others of their colleagues possess unsurpassed knowledge of public business. The heads of the Naval and Military Departments have already promised a reduction of expenditure ; and a Government supported by a large majority has great facility for effecting administrative reforms.

In once more resuming the management of Foreign Affairs, Lord CLARENDON will find employment for all his practised sagacity both in the East and in the West. It is still uncertain whether the negotiations with the United States were virtually closed before the retirement of Lord STANLEY from office. The majority of the House of Representatives has passed a vote which involves a censure on Mr. REVERDY JOHNSON ; and the extreme unpopularity of the PRESIDENT may provoke the Senate to refuse its sanction to a settlement, even if Mr. SEWARD desires to close the quarrel before his own retirement. The unanimous ratification by the Senate of the nomination of a leading Democrat as successor to Mr. ADAMS seemed to prove that Mr. REVERDY JOHNSON enjoyed the confidence of all parties. Addressing himself in a friendly spirit to the main business of his mission, he was met with equal goodwill by Lord STANLEY ; and on several public occasions he congratulated both countries on the removal of all causes of dissension. Unfortunately, his expressions of cordiality provoked popular censure in America ; nor is it yet known whether the SECRETARY of STATE has approved the action of his representative. Lord CLARENDON will

be not less anxious than Lord STANLEY to arrive at a just and amicable conclusion, and he may be trusted not to compromise the honour of his country by submitting to any tribunal the question whether the Government exercised a sound discretion when it recognized the Southern belligerents. During the last year the attention of the people of the United States has been occupied rather by domestic than by foreign affairs. At the close of 1867 the House of Representatives had rejected a proposal for an impeachment; but the PRESIDENT, with characteristic pugnacity, provoked a renewal of the contest by attempting to dismiss the SECRETARY for WAR in defiance of the recent Act relating to the tenure of office. It was more than doubtful whether Congress had a constitutional right to prohibit the PRESIDENT from dismissing his Ministers; but, on the other hand, it was impossible that the Legislature should allow a recent statute to be openly violated with impunity. In the latter part of February the House resolved by a large majority to impeach the PRESIDENT, and the articles were shortly afterwards laid before the Senate, which, according to the Constitution, organized itself as a High Court of Justice, under the presidency of Chief Justice CHASE. The impeachment was at first sustained by the entire Republican party; but as the trial proceeded the arguments of the counsel for the defence, and more especially the coarse violence of the principal manager, Mr. BUTLER, produced a marked change in public opinion. It was urged on behalf of the PRESIDENT that he had only taken the proper steps for bringing the validity of the Act under the cognizance of the Supreme Court, and a plausible doubt was raised whether the Act itself applied to the case of Mr. STANTON. At the conclusion of the case six or seven of the most respectable among the Republican Senators separated themselves from their party,

and, consequently, the prosecutors of the impeachment failed to obtain the necessary majority of two-thirds for conviction. The chief importance of the result consisted in the failure of the Republicans in establishing a precedent which might have destroyed the future independence of the Executive Government. Mr. JOHNSON, during the remainder of his term of office, was almost powerless for good or for evil, as every Republican measure was immediately passed over his veto by a majority of two-thirds in both Houses. Any advantage which the Democrats might have derived from the defeat of the impeachment was neutralized by an injudicious choice of Presidential candidates. The Republicans had, some months before, at a time when their cause was temporarily declining, resolved to supply their own possible defects of popularity by an alliance with General GRANT, and accordingly, in their Convention at Chicago, they unanimously selected the Commander-in-Chief, associating with him Mr. COLFAX, Speaker of the House of Representatives, as candidate for the Vice-Presidency. The Democratic Convention at New York, rejecting the pretensions of Chief Justice CHASE, named as Presidential candidate Mr. HORATIO SEYMOUR, who had been a lukewarm supporter of the war, and General FRANK BLAIR, who had recently published an imprudent letter, in which he denied the legality of the Acts of Reconstruction. The Republican victory, which could scarcely under any circumstances have been doubtful, was insured by the mistakes of the Democratic party. On the 3d of November General GRANT and Mr. COLFAX were elected by an overwhelming majority, although the Democrats in the elections to the future Congress reduced to a certain extent the disproportion between themselves and their adversaries. The most considerable foreign transaction in which the

American Government engaged during the year was the purchase of the vast and desert region of Russian America, now called Alaska. In his late Message to Congress Mr. JOHNSON asserted, with the cynical plainness often affected by American Presidents, that the safety and interests of the United States might ultimately require the annexation of all adjacent territories on the continent and in the neighbouring islands. It would seem that the acquisition of Alaska, at a cost of £7,000,000, could only be valuable as a commencement of some general system of aggrandizement. The people of the United States can well afford to indulge themselves in superfluous luxuries, but a vicious fiscal system and a heavy burden of debt have for the time produced uneasiness and discontent. The ominous question of repudiation was first raised by the Democrats, and the Republicans in Congress have indicated almost equal readiness to tamper with national good faith. The division of parties on this question is rather geographical than political, for nearly all the domestic holders of the debt live in the Eastern States, while the West, with a great majority of votes, is inhabited by tax-paying debtors. The late Mr. STEVENS, the acknowledged leader of the Republicans, openly supported the Democratic project of paying the principal of the debt in paper money; and Mr. BUTLER persuaded the House of Representatives to pass a resolution in favour of taxing the public creditor to the amount of ten per cent. The pretext for paying the debt in greenbacks is derived from a quibble on the wording of the so-called Five-Twenty Bonds. It is expressly provided that the interest shall be paid in gold; but there is no provision as to the principal, because it was assumed that a metallic currency would have been restored long before the time of payment. The SECRETARY of the TREASURY, and the financial agents who

placed the bonds stated to purchasers, with the full knowledge of Congress, that the principal would be paid in specie ; yet it is now probable that both parties will concur in an interpretation which was never contemplated during the contraction of the debt. In his late Message the PRESIDENT urged upon Congress a wildly unjust scheme for regarding all future payments of interest as instalments of the principal of the debt. In reply to his suggestion, the House of Representatives almost unanimously passed a resolution to the effect that the debt must be discharged according to the tenour of the contract. The phrase has generally been used to denote payment in greenbacks ; and on the present occasion it seems to have been adopted for the purpose of enabling all parties to unite in a protest against the scandalous proposal of the PRESIDENT. Intelligent American economists are fully aware that the annual burden of the debt might have been largely reduced by the simple process of guarding the public credit from suspicion. Before the term of the Five-Twenty Bonds has expired it is probable that the increase of the national wealth may have reduced the question of payment in gold or in paper to comparatively insignificant dimensions. At the present moment the whole Democratic party and a large body of Republicans incline to relieve the Western taxpayer at the expense of domestic and foreign creditors. A financial policy which would render the contraction of future loans almost impracticable is, happily, incompatible with aggressive warlike enterprises.

In Europe the curiosity of politicians has been excited and baffled by rumours of war, which seem always to be mysteriously connected with the internal condition of France. In the early part of the year the Emperor NAPOLEON, in spite of the remonstrances of many zealous sup-

porters, caused his Minister to press through a reluctant Legislature a Bill which relieved the periodical Press from the chief disabilities under which it laboured. The necessity of Ministerial permission for the establishment of journals and the whole system of official warnings were summarily abolished, and the cognizance of Press offences was exclusively attributed to the judicial tribunals. The EMPEROR probably designed a genuine concession to liberty and to public opinion ; but it would seem that a free Press is incompatible with the Imperial mode of Government, for the frequency of prosecutions and the severity of the penalties imposed have since increased in full proportion to the nominal liberties secured by the change of the law. It may be added that journalists have never been bolder or more ingenious in approaching and in passing the permissible limits of discussion. Satirical attacks on the dynasty or on the person of the EMPEROR have alternated with significant demonstrations of ill-will, and Ministers and public prosecutors have displayed little temper or prudence in their choice of occasions for retaliation. Only a few weeks since some of the Opposition papers published the lists of subscribers to a monument in honour of a representative named BAUDIN, who was killed on a barricade in the brief struggle which followed the events of the 2d of December, 1851. Republicans, Orleanists, and Legitimists seized the opportunity to proclaim their dissaffection to the Empire, and the Government unwisely accepted the challenge by prosecuting the journals in which the lists had appeared. The subsequent removal of the MINISTER of the INTERIOR from office may, perhaps, have been intended as a reproof of the blunder ; but the EMPEROR himself has on more than one occasion displayed a sensitiveness to criticism which is consistent neither with dignity nor with prudence.

During the last spring he published a pamphlet consisting chiefly of summaries of the millions of votes which had successively sanctioned the Consulate, the First Empire, the Presidency for life, and the revived Empire of 1852. There may be a strong temptation to remind opponents that the small freeholders of rural France have repeatedly supported the system and dynasty of the BONAPARTES; but an appeal to this peasantry involves a virtual admission that the great cities and the educated classes are dissatisfied with the permanent suppression of political liberty. Every Government should take its own legitimacy for granted, and assume that it represents the entire nation, and not a mere numerical majority. It is a more dangerous error to divert attention from domestic dissensions by the publication of ambitious projects which have not even been definitively adopted. For more than two years the semi-official French journals have been periodically filled with open or covert menaces of a war which was to re-establish French ascendancy by reversing the results of Sadowa. The Bill for the reorganization and increase of the army was finally passed at the commencement of 1868, and three months later Marshal NIEL was enabled to announce that the issue of improved firearms had been completed, and that the army was ready for war. On quitting the camp at Châlons, after the autumn reviews, the EMPEROR himself declared that he would not speak of the probability of peace, because experience had shown that his pacific assurances were not credited in France or in Europe. In the meantime Prussia abstained both from provocation and from any indication of alarm, and hitherto the French Government has shrunk from an unjust and impolitic enterprise in which political success would not even be insured by isolated military triumphs, while defeat might be fatal to the Imperial dynasty;

yet many political observers believe that the adventure would have been attempted but for an unexpected derangement of elaborate combinations.

There can be no doubt that France has from time to time attempted to secure the co-operation of Austria, where a strong feeling of resentment and jealousy is still entertained towards Prussia ; but there is a wide difference between diplomatic irritation and war, and the Austrian Government has been more profitably employed in the consolidation of the Monarchy than in practical projects of revenge. The Emperor of AUSTRIA had an opportunity of proving the sincerity of his adhesion to Constitutional doctrines by publicly referring to his Parliamentary Ministers a request from the Bishops that he would refuse his sanction to the new law which virtually abolished the Concordat with Rome. The severity of the blow which had been inflicted on ecclesiastical pretensions was proved by an angry Allocution, in which the POPE affected to treat the Constitutional system in Austria as an irregular usurpation and the EMPEROR as a recreant who had shrank from exerting in the service of the Church his absolute and indefeasible prerogative. It is a remarkable coincidence that on the eve of an Œcumenical Council every State in Europe should have renounced the temporal supremacy of Rome. A still more important object was achieved by the final settlement of the relations between Austria and Hungary. All matters of dispute have been finally arranged, and through the exertions of the EMPEROR and Baron BEUST the Croatian Deputies have been induced to take their seats in the Hungarian Diet. The Diet itself has lately been dissolved, after the most laborious and fruitful Session which has ever been held ; and the Austro-Hungarian Monarchy has, by wise policy and thoughtful legislation, resumed its ancient rank as one of the greatest Powers of Europe

The prospects of Italy have, on the whole, improved since the mortifying occurrence of Mentana. The administration of General MENABREA has proved unexpectedly durable, and some approximation has been made to the establishment of a financial equilibrium. In the prospect of war with Prussia, the Emperor NAPOLEON is supposed to have provided for the withdrawal of his troops from Rome by an arrangement for the substitution of a Spanish garrison, which would inevitably have provoked the immediate invasion of the Papal territories by an Italian army. If so chimerical a scheme was ever seriously contemplated, it was rendered abortive by a sudden Revolution, which, perhaps, may have prevented or postponed a European war. The discontent which had been produced by the personal conduct of Queen ISABELLA and by the policy of her successive Ministers has at last exploded, on the removal of the two rivals who had for many years alternately controlled the Army and the Kingdom. O'DONNELL, who had been removed from power in the previous year, died early in the spring; and he was followed, after a short interval, by the daring and unscrupulous NARVAEZ. The QUEEN conferred the vacant office of Minister on GONZALEZ BRAVO, not understanding that an adroit civilian was incapable of maintaining the existing system of Government without the support of a military leader. In a short time it was discovered or suspected that the leaders of the army were conspiring; and, in accordance with precedents which required the sword of NARVAEZ or O'DONNELL to render them applicable, Marshal SERRANO, General DULCE, and the other principal chiefs of the army, were seized and transported to the colonies. A more novel exhibition of imprudent vigour consisted in the banishment to Lisbon of the Duke and Duchess of MONTPENSIER, who may, perhaps, have been

engaged in intrigues for the establishment of a Regency, or even for a change of dynasty. A wise statesman would not have published the designs of an undeclared pretender ; but GONZALEZ BRAVO appears to have had no system of policy beyond a servile adherence to the traditions of his military predecessors. On the 18th of September, within three weeks from the deportation of the Generals, the fleet, under Admiral TOPETE, revolted at Cadiz, and a portion of the army followed its example. The Minister, who was in attendance on the QUEEN near the northern frontier, having provided no means of supporting his own violent measures, at once escaped into France ; and the QUEEN herself, after a week's hesitation, followed his steps with her family. A vessel had been despatched by TOPETE to bring back the exiled Generals from the Canary Islands, and General PRIM left England to join in their enterprise. It appeared from the first outbreak of the conspiracy that, unlike previous military revolutions, the movement was directed against the QUEEN and her family, probably because the leaders were aware that it was impossible to trust her assurances. The QUEEN and her dynasty fell almost without a blow, though Marshal CONCHA for a short time held Madrid in her name. SERRANO, at the head of troops which had joined the Revolution, defeated the Marquis of NOVALICHES in a combat at Alcolea, and, having done what was thought sufficient to satisfy the demands of military honour, the loyal troops immediately passed into the ranks of the insurgents. On the arrival of PRIM at Madrid a Provisional Government was formed under the presidency of SERRANO, while PRIM assumed the command of the army. The deposition of the QUEEN was at once proclaimed ; but the leaders of the Revolution shrank with surprising timidity from the task of establishing any alternative form of Government. It was announced

that the future destinies of Spain would depend on the decision of a Cortes, to be elected by universal suffrage ; and, although the members of the Provisional Government favoured the maintenance of a Monarchy, no obstacle was offered to agitation in favour of a Republic. Since NECKER threw the reconstitution of France, without prescience or preparation, on the floor of the States-General, no statesmen have abdicated more ingloriously than PRIM and SERRANO the duty of guiding a nation after unsettling the former adjustment of power. It now seems probable that the Republic which they deprecate may be established in consequence of their backwardness in proposing a candidate for the Crown. During the interval of three months which has followed the revolt of TOPETE, Spain has presented to the world one of the strangest of political spectacles. Although the Revolution was commenced and completed exclusively by the fleet and the army, the general population welcomed with enthusiasm the overthrow of Queen ISABELLA and the dynasty. In accordance with Spanish traditions, Juntas were immediately organized in every town and district, with indefinite powers, professedly required for the maintenance of order. In some places Communistic Juntas attempted a partial redistribution of private property ; but in general the self-constituted local governments appear to have behaved with tolerable moderation, and after a short time they surrendered their authority to the Provisional Government. The most urgent or the loudest of the popular demands produced in the minds of foreigners a feeling of surprise. It had not been supposed that a religious liberty was anxiously desired by a country in which there are no indigenous Nonconformists ; and an occasional protest in favour of Free Trade was ever more unexpected. The Government, almost immediately after its formation, decreed the expulsion of

the Jesuits and the dissolution of the religious communities which had been founded under the patronage of the QUEEN in contravention of the law. In Continental countries religious liberty means antagonism to the clergy, and especially to the religious orders ; and the leaders of the Revolution are justified in adopting measures which may diminish the power of their inveterate enemies. The early reaction against the clerical policy of the QUEEN and her advisers seems already to have subsided. The POPE's NUNCIO still resides at Madrid, drawing a stipend from the Spanish Treasury, and the management of ecclesiastical affairs is intrusted to a Minister who eagerly proclaims himself a zealous Catholic. Notwithstanding the aspirations of sanguine patriots, the Revolution may possibly prove to have been but one more barren military revolt. General PRIM, on assuming the command of the army, published an admirable General Order, in which officers and privates were cautioned against taking any part in political affairs. The warning would have been more impressive if General PRIM's authority had not been founded on the conduct which he deprecated, and if he had not conformed to traditional practice by accepting a Marshal's staff in reward for his share in a political mutiny. Every officer and non-commissioned officer in the army about the same time obtained a step in rank, which was indiscriminately given to the combatants on both sides at Alcolea. If another promotion should seem likely to follow the restoration of the QUEEN, or the adhesion of the army to the Generals in a contest with the Cortes, there is no reason to suppose that the country would, for the first time in the present generation, attempt resistance to military dictation. The Government not long since strengthened its position by the suppression of a Republican revolt at Cadiz, which had threatened to

be formidable. The struggle was remarkable for the curious episode of the arrival of the Duke of MONTPENSIER at Cordova for the purpose of offering to serve against the insurgents. The Duke has subsequently explained that he had supposed the insurrection to be reactionary rather than Republican ; but his intentions, whatever they may have been, appear not to have been adequately appreciated. Although Marshal SERRANO is said to be favourable to the pretensions of the Duke, the Government insisted on his immediate return to Lisbon ; and probably he has by his imprudent interference damaged his prospects of ascending the throne. Perhaps no better King could be found for Spain ; yet it would be vexatious that M. GUIZOT should have lived to witness the success by unforeseen methods of the scandalous intrigue of 1846, which has already borne fruit in the ruined fortunes and reputation of ISABELLA II.

According to common belief and the express statement of Count BISMARCK, the Spanish Revolution, arising from causes exclusively domestic, incidentally prevented the outbreak of a great European war. At the close of the year the danger has recurred through the sudden rupture between Greece and Turkey. It is at present impossible to assign to the voluntary or unconscious promoters of the catastrophe their respective shares in an untoward and troublesome event. It is doubtful, in spite of many positive assertions, whether France has been intriguing with Russia in the hope of detaching a powerful ally from Prussia ; nor are the rumours which attribute to Austria a principal part in the transaction to be received without ampler confirmation. A short time since the Government of the Danubian Principalities was engaged in preparations to excite an insurrection in the northern provinces of Turkey ; but the remonstrances of the Great Powers produced an ostan-

sible change of policy, expressed in the dismissal of the Prince's Ministry. The majority of the Bulgarian population is believed to be loyal to the Porte, and it is possible that the enemies of Turkey may have found it expedient to shift the scene of their operations. On the other hand, but for the probability that Eastern difficulties have been caused by tortuous diplomacy, the imprudence which is common to both the belligerent Governments would not alone prove that the collision which has occurred ought to be attributed to external agency. The relations between Greece and Turkey have for more than two years been subject to an intolerable strain, and it has only been through fear of the European Powers that either Government has abstained from open hostility. The Greeks have with remarkable skill and perseverance kept the Cretan insurrection alive long after it would have collapsed in the absence of foreign aid. Little or no regard has been paid to the rules of international law, and as the insurgents in the island became less and less inclined to continue the struggle, their allies on the mainland have redoubled their efforts, and have defied the Turks with less affectation of secrecy. If the Turkish Government could have persuaded itself to submit for a short time longer to the provocations which it had previously borne, the pacification of Crete would probably have reduced the Greeks to compulsory inaction ; yet it is impossible to deny that recent proceedings have furnished ample reasons for a declaration of war. Bands of volunteers, commanded by officers of the Greek army, and armed with cannon taken from a Royal fortress, have openly paraded the streets of Athens in preparation for a fresh invasion of Crete. Cretan refugees who were about to return to the island on the invitation of the Turkish Government were violently assaulted, and received no protection

from the Greek police. Finally, the well-reasoned remonstrance of the Turkish Minister, himself an accomplished Greek, was answered by the Athenian Government in a tone of insult, and with an undisguised avowal of the acts which formed the subject of complaint. It was evident that the Greeks were, either through rashness or in the assurance of foreign aid, anxious to precipitate a quarrel, while the PORTE, now deprived of the sagacious counsels of FUAD PASHA, yielded to a natural irritation which had long been forcibly suppressed. Diplomatic relations have been suspended, and the Greeks have hitherto refused all concessions, although the Turkish army and navy, if not required to meet some other foreign or domestic enemy, are fully able to crush the petty forces of the kingdom. The Greek Government has neither money nor credit, but it probably hopes that insurrections will occur in the Turkish provinces, and it relies on the certainty that Europe will never permit the permanent conquest of its territory. If a Turkish army enters the kingdom, some outrages will probably be perpetrated, and innumerable atrocities will be invented to excite the indignation of Christendom. There is little use in invading a province which cannot be retained, and at sea the skilful Greek cruisers will, perhaps, continue to baffle the pursuit of the Turkish men-of-war. There is every probability that hostilities will be averted, but until the proposed Conference has arrived at a decision it will be impossible to judge whether the Great Powers are able to agree on an Eastern policy. The further question of the willingness of the actual combatants to submit to European arbitration will still remain to be solved.

The vast extent of modern empires brings their territories and interests into contact at the same time in widely-separated regions. The rapid extension of the Russian dominions in Central Asia,

although it may, perhaps, have been legitimate or unavoidable, necessarily forms an entirely new element in the calculations of Anglo-Indian statesmen. Within the last year the Russian Generals have established a protectorate over the semi-barbarous State of Bokhara, and the reigning Ameer, like a King of Armenia or Cappadocia in the days of LUCULLUS and POMPEY, owes to his new patrons the possession of a throne which had been assailed by dissatisfied subjects under his rebellious son. The virtual acquisition of Bokhara has brought the Russians into the neighbourhood of Afghanistan, and furnished a possible opportunity of interference in the civil wars which distract the country. An Afghan Prince, with a body of his followers, is already serving in the Russian Army, and other defeated pretenders will not fail to court the favour of a powerful ally. It is asserted that Sir JOHN LAWRENCE has lately seen reason to modify the absolutely neutral policy which he has observed during the lengthened contest in Afghanistan. It is unfortunate that he should be replaced by an inexperienced successor at a moment when a comprehensive knowledge of Asiatic politics is more than ever required by the rulers of India. For the present, the Russians in Bokhara and the adjacent regions have given no cause of offence to the Indian Government, nor is their military power, at so great a distance from their resources, likely at any time to be formidable. It is only in dealing with disaffected subjects or turbulent neighbours that the vicinity of a second European Power might lead to complications. Still further to the East a local collision with Chinese authorities has caused natural uneasiness. English ships of war have been employed in avenging the wrongs of certain missionaries, although it seems doubtful whether the interference was justified either by treaty or by international right. It is often neces-

sary to modify the rules of public law in dealing with Oriental nations ; but it is impossible to protect all English adventurers who in the prosecution either of commercial or religious designs think fit to reside in remote and uncivilized regions. A missionary is not bound to expose himself to death or to torture, and if he thinks fit to incur the risk he must not suppose that he has an English squadron at his back.

The prosperous monotony of the Colonies has of late years contribute few chapters to the current history of the English empire ; but a fresh Maori insurrection, followed by the defeat of a colonial force, has once more diminished the hope of preserving from ultimate extinction the bravest and most capable of all native races which have been brought into juxtaposition with European settlers. In Australia the personal loyalty and invincible tenacity which are equally characteristic of English colonists have been illustrated by the enthusiastic reception offered to the Duke of EDINBURGH, and by the resolute prosecution of the Constitutional conflict which has long occupied the Legislature of Victoria. The withdrawal of the claim to the grant which the Assembly had made to the widow of a late Governor released the Colonial Office at home from an immediate embarrassment ; but the respective rights and privileges of the two branches of the Legislature are as far as ever from adjustment, although it is certain that in an essentially Democratic community the more popular body will finally prevail. The new organization of the Dominion of Canada appears likely to be successful, but the people of Nova Scotia are still dissatisfied with the preponderance of interests which they consider opposed to their own. Their Legislature sent deputies to England to protest against the maintenance of the union, and Mr. BRIGHT was induced to advocate their cause in the House of

Commons ; but on discussion it clearly appears that the previous Legislature had assented to the establishment of the Dominion, and it was evident that the measure was in its nature irrevocable. The leader of the Nova Scotia dissidents has since abandoned the agitation as useless, and it may be hoped that the practical grievances of which the Province justly complains will be remedied by the good sense of the Canadian Parliament.

With the exception of the two Spanish Marshals, whose deaths were followed by important political consequences, Lord BROUGHAM and M. BERRYER are the most considerable names in the Obituary of the year. Both had completed or outlived the period of active exertion, and both had been rather orators than statesmen. The most eloquent of modern French advocates, by a paradoxical fortune, owed his exceptional popularity to a false position. If CHARLES X. and his descendants had remained on the throne, BERRYER would probably have been assailed as a courtier and a supporter of the prerogative ; but eight-and-thirty years of opposition allied him, in spite of reciprocally antagonistic principles, with all the enemies of two successive dynasties and of authority in general. From 1830 to 1848 he was a steady opponent of the ORLEANS Government, and during the continuance of the short-lived Republic he was a party to the tacit conspiracy of the leaders of the Assembly against the Democratic Constitution which they, nevertheless, provisionally accepted. The restoration of the Empire associated BERRYER with the Parliamentary statesmen whom he had attacked under LOUIS PHILIPPE, and with the Republicans whom he had opposed in the National Assembly. The chiefs of many shattered parties, united by common enmities, concurred in applauding the famous old man who incidentally, and yet sincerely, vindicated liberty, having no terms to keep with usurpation. Within

a few days before his death BERRYER joined in the BAUDIN subscription, as his latest expression of antipathy to the Imperial Government. His heterogenous cluster of political colleagues were not curious to inquire into the motives which had dictated a consistent hostility to the Parliamentary Government of the younger branch, to the Republic, and to the Empire. To his eloquence and to his forensic character all parties gave a just and genuine recognition. By common consent he was, during a great part of his life, at the head of his profession, and his superiority was cordially recognized even by those who might have considered themselves his rivals. Lord BROUGHAM, with a more versatile intellect and a far wider range of activity, had not been equally successful in securing general favour. Untiring energy and great natural powers had enabled him, while still in the full vigour of life, to attain a high position at the Bar, and to compete with CANNING for oratorical supremacy in the House of Commons ; but he never succeeded in satisfying the first condition of solid Parliamentary influence by securing the confidence of any political party. The distrust entertained by the Whigs for their volunteer ally may have been suggested by aristocratic prejudice, but it was afterwards justified by experience. He forced himself into Lord GREY's Cabinet against the wish of its chief members ; and four years afterwards he caused the overthrow of the Government, and finally alienated himself from the party. The rest of his life was spent in restless efforts to sustain the reputation which had been compromised by political failure. The goodwill which is naturally entertained for old age induced a younger generation to gratify him with habitual eulogy, and yet Lord BROUGHAM must often have felt in the decline of life that his achievements had not corresponded to his efforts or his hopes. His death may serve to indicate the

close of an epoch and the commencement of a period which will probably be marked by a different historical type.

1869.

The year which is passing away has, both at home and abroad, been marked by the uneasiness which forebodes political change. More than one event of undoubted historical importance awaits the interpretation which will be only supplied by its results. The Irish Church Establishment has been abolished ; Parliamentary Government has once more been conceded to France ; the Suez Canal has been opened ; and, after an interval of three centuries, a General Council of the Roman Catholic Church has assembled in the Vatican. The Spanish Revolution, which at the beginning of the year had already begun to disappoint sanguine enthusiasts, has failed to justify itself, either by the reform of ancient abuses or by the consolidation of a regular Government. The chronic embarrassments of the Italian Government afford another illustration of the difficulty of regenerating a nation. The dread of a great European war, which had since 1866 impended over the Continent, has, by lapse of time and through the pressure of domestic questions in France, happily in a great measure subsided. The mutual relations of the Great Powers have been temporarily or permanently modified by the relaxation of the respective intimacies of France with Austria and of the North German Confederation with Russia. The risk of collisions which might have brought the Eastern Question to a crisis has been more than once averted by diplomatic prudence. The year began with the triumph of the PORTE over the petulant hostility of Greece, and it has closed with the acceptance by the Khedive

of EGYPT of the demands of the SULTAN. The Plenipotentiaries assembled in Conference at Paris, after excluding the Greek Minister on a plausible pretext from their deliberations, consulted the interests of his Government and country by insisting on their abandonment of hostile demonstrations against Turkey. The Greek Ministers, while they wantonly provoked a quarrel, had, in well-founded reliance on their European protectors, neglected to make the smallest preparations for war ; and they had applied to other purposes the funds which had been raised by extraordinary fiscal measures. Yet it was not until a new Administration had been formed that the Government formally submitted to the demands of the Congress. The suppression of the Cretan rebellion has, in consequence of the cessation of aid from Greece, proved to be final ; and the firmness of the Turkish Government has deterred malcontents from attempting elsewhere provincial insurrections. An unexpected check has interrupted the progress of the ruler of Egypt to formal and substantial independence. Although the Courts which the KHEMIVE has visited have scrupulously abstained from according him the rank of a Sovereign, the SULTAN has taken umbrage at his pretensions, and he has regarded with peculiar jealousy his financial arrangements and his expenditure. The KHEMIVE has, on more than one occasion, competed with the PORTE for accommodation in the Money-Market, and a portion of the sums which he has raised has been employed in the purchase of vessels of war and of improved weapons for his army. The invitations issued to all the Sovereigns and to other Royal personages by a mere vassal of the PORTE formed an additional cause of offence, and, as soon as the celebration was finished, the SULTAN peremptorily demanded that the KHEMIVE should henceforth communicate with foreign Governments only through the diplomatic agents of the PORTE ;

that he should abstain from any further increase of his fleet ; and, above all, that he should submit his Budgets to the Government of Constantinople and renounce the privilege of contracting loans, except with the consent of the SULTAN. There is, perhaps, a secret history of a negotiation which ended in the unqualified submission of the KHEDIVE. It is difficult to believe that he intends to accept the position of a provincial Governor, distinguished from other Pashas only by a higher title, and by the right of hereditary succession ; but the English Ambassador urgently recommended compliance with the demands of the PORTE, and the French Government declined to support the VICEROY in a policy of resistance. Frequent experience has proved that when England and France are in accord no successful encroachment can be made on the authority of the SULTAN. Russian politicians are forced to console themselves by the plausible prophecy that at some future time the assertion of Egyptian independence will inflict a fatal blow on the Turkish Empire. The KHEDIVE deserves credit for his prudence in listening to unpalatable counsels. Premature ambition might have found excuse or encouragement in the splendid hospitality which he had the opportunity of tendering on a great occasion to the Emperor of AUSTRIA, the Prince of PRUSSIA, the Empress of the FRENCH, and the representatives of all the Great European Powers. It is true that, although the Suez Canal traverses Egyptian territory, the honour of the achievement belongs to a Frenchman. M. DE LESSERS has for more than ten years prosecuted the enterprise of joining the Red Sea to the Mediterranean, in spite of natural impediments to the undertaking, of the gloomy forebodings of professional and non-professional critics, and of the indifference or distaste of the chief maritime nation. Fortunately for the success of the enterprise, Con-

tinental hopes were excited by the apparent jealousy of England, and the financial resources, which had seemed to be more difficult of attainment than the mechanical completion of the works, were always forthcoming as they were required. The Viceroy of EGYPT was induced to contribute largely in money and in the labour of his subjects, and, with the aid of French diplomacy, the frequent objections raised by the Turkish Government were successfully evaded or overcome. The work, although it is not yet complete, has been shown to be practicable, and, even if it proves to be unremunerative, means will be found to finish and to maintain the undertaking. There is little reason to fear that a mere alteration in the comparative lengths of commercial voyages will enable the countries which border on the Mediterranean to divert any considerable portion of English trade. The Russian and Italian ports have no important markets behind them either for imports or for exports. Trieste and Marseilles may, perhaps, find a certain advantage in the reduction of freight; but it will be long before they can rival Southampton, Liverpool, and London in steam navigation. During the continuance of peace, and under an equal system of charges for all nations, the greater part of the trade of the Canal will be conducted by English vessels. The Southern cities which date their decline from the discovery of the passage round the Cape of Good Hope will find that, although the course of trade may once more pass along their coasts, its destination depends on the fertility of producers and on the capacity of consumers. As the Canal is actually made, insular patriotism will have no difficulty in reconciling itself with cosmopolitan philanthropy. For the present, English merchants and manufacturers trouble themselves more with the perversities of Chinese Mandarins and with the alleged apathy of Indian cotton-

growers than with the possible rivalry of Mediterranean traders. In China it happens that all the European and American residents cultivate the most friendly understanding between themselves, under the influence not of a common enmity, but of habitual liability to the same kind of vexations. The public opinion of the commercial republic which has organized itself at Shanghai is highly favourable to summary modes of redress for affronts or injuries offered by local functionaries. In the Island of Formosa and at various points on the mainland, English Vice-Consuls and naval officers have taken towns or forts, or have exacted pecuniary compensation, in consequence of wrongs inflicted on their countrymen by Chinese officials or mobs. Lord CLARENDON has issued stringent orders that all complaints shall, in accordance with the stipulations of the Treaty, be referred directly to the Ambassador at Peking for presentation to the Imperial Government. There is no doubt that it was proper to check the activity of zealous subordinates ; but Sir RUTHERFORD ALCOCK seems to share the distrust felt by the mercantile community of the efficacy of diplomatic remonstrances. It has now become evident that the mission of Mr. BURLINGHAME to Washington and to the European Courts was despatched by the Chinese Government for the purpose of procuring a relaxation of its engagements to facilitate intercourse with foreigners. Mr. BURLINGHAME himself was probably the dupe of instructions which were drawn up in two different versions for domestic and foreign use. Mr. ROSS BROWNE, lately American Minister at Peking, having been recalled by his Government on account of his disapproval of Mr. BURLINGHAME's Treaty, received an address of unanimous assent to his policy from all the English and American merchants. In his reply, Mr. ROSS BROWNE insisted on the necessity of dealing on the spot with provincial aggression on

the rights of foreign traders. It is improbable that eventually any rigid adherence to impracticable rules will be allowed to endanger trade with an Empire which contains hundreds of millions of possible customers for Western manufactures.

Although India as well as China must ~~prom~~ largely by any improvement in the means of communication with Europe, the attention of the Government has been fully occupied with political and financial questions. Lord MAYO, succeeding to Sir JOHN LAWRENCE in the first weeks of 1869, gave effect to the recent policy of his predecessor by confirming the amicable relations which had at last been established with the reigning Ameer of AFGHANISTAN. Sir JOHN LAWRENCE has often been censured for his persistent neutrality among the descendants of DOST MOHAMMED during their long struggle for supremacy. It is probable that SHERE ALI, when he had finally established his power in Cabul, may have felt little gratitude to the Government of India for a tardy recognition of his title ; but an Eastern ruler is as little inclined as a European Statesman to regulate his policy by sentimental considerations. With the Russian dominion steadily extending itself over Central Asia almost to the frontier of his dominions, SHERE ALI recognized the necessity of allying himself with the only neighbouring Power which is strong enough to protect him. In a journey of a hundred miles through English territory on his way to visit the VICEROY, the AMEER had the opportunity of appreciating the discipline and strength of the army of North-Western India. Although it was not thought expedient to conclude a formal alliance, SHERE ALI accepted a large subsidy, which may perhaps supply the means of consolidating his authority. He probably understands that the Indian Government only desires the maintenance of his power and the prosperity and independence of

his kingdom. It would be undignified and useless to complain of the progress of Russian arms in Khiva and Bokhara ; but it is desirable that a native State should be interposed between the two Great European Powers. In domestic administration Lord MAYO has profited by his Parliamentary and official training to exercise a vigilant supervision over finance. There is no public department for which Indian functionaries possess so little aptitude. On a careful revision of the Budget it appeared that the expenditure largely exceeded the revenue, and the VICEROY has begun a vigorous effort to restore an equilibrium by a sweeping system of retrenchment. There is, happily, no reason to fear any important war, either foreign or domestic, and it is hoped that a new method of conducting the periodical conflicts with the mountain tribes on the Northern frontier will conduce both to efficiency and economy.

As there is no immediate risk of a collision with Russian policy, either in Europe or in Asia, the only unsettled question with which the Foreign Office has had to deal is the open controversy with the United States. Lord CLARENDON, continuing the policy of Lord STANLEY, had conceded every demand which the American Minister had been instructed to prefer ; but Mr. REVERDY JOHNSON had unfortunately irritated his countrymen by overstrained professions of goodwill to England ; and the unpopularity of Mr. ANDREW JOHNSON extended to the negotiations which had been instituted and conducted with the consent of all parties. It soon became known that the Convention, which expressed the opinions of Mr. SEWARD, would not be ratified by the Senate. On General GRANT's accession to office in the early spring the text of the Convention was, in wilful disregard of courtesy and of usage, published in the newspapers before it had been considered by the Senate. A few weeks later Mr.

SUMNER, who had been privy to the mission and to the instructions of Mr. REVERDY JOHNSON, moved the rejection of the Treaty in an inflammatory speech, and his conclusions were almost unanimously adopted by the Senate. In anticipation of the event, Mr. REVERDY JOHNSON had, without special authority, proposed to Lord CLARENDON that the Convention should be extended from the claims of British subjects or American citizens to the demands which either Government might advance against the other, including the imaginary grievance founded on the QUEEN'S Proclamation of Neutrality. Even if Mr. REVERDY JOHNSON'S new proposal had not been necessarily refused, the adoption by the Senate of Mr. SUMNER'S pretensions proves that a settlement of the dispute would have been impracticable. Mr. SUMNER'S extravagant demand for an apology and for payment of a large part of the expenses of the Civil War caused extreme indignation in England, and even in the United States it was followed by a partial and temporary reaction. The soundest jurists proved that the recognition of Confederate belligerency constituted no just cause of offence, and some of the more respectable journalists withdrew from the positions which they had maintained until Mr. SUMNER made their opinions ridiculous. The PRESIDENT himself, in his recent Message to Congress, has substantially re-affirmed all Mr. SUMNER'S doctrines, on grounds which are explained in a despatch of an extraordinary character from the Secretary of State to the American Minister in England. Mr. HAMILTON FISH has, in a declamatory tone seldom used in diplomacy, recapitulated all the real and imaginary grievances which have been devised to justify American indignation against England. His rhetorical invective has given Lord CLARENDON an opportunity of showing, in a courteous and conclusive answer, that the escape of the Alabama from the Mersev was an isolated

occurrence, and that the damages which were suffered by American trade were fully provided for in Mr. SEWARD's Convention. It will be useless to renew the negotiations until the PRESIDENT is prepared to reconsider his inadmissible demands. It happens, by an anomalous coincidence, that some of the politicians who most bitterly resent the recognition of Confederate belligerency have been eagerly pressing for intervention on behalf of the insurgents of Cuba. The rebels against the Spanish Government have never possessed a town, a fort, or a separate territory, nor have they at any time brought a regular army into the field. The Confederacy, on the other hand, was a league of nine or ten old and settled States, holding at the time of recognition exclusive possession of their own vast territories, including a longer coast line than that which remained to the Federal Government. The PRESIDENT has correctly stated in his Message that belligerency was a question of fact; and yet the Lower House of Congress, by a unanimous vote, declared its sympathy with the insurrection in Cuba, and requested the PRESIDENT to concede recognition at the earliest possible moment. Overtures of mediation made to the Spanish Government by the American Minister were summarily rejected, and the failure of the insurgents to make progress will probably confirm the Government in its determination to furnish no argument against itself in the controversy with England. The overbearing diplomacy of the United States is in some degree explained by the internal prosperity of the country. With only one or two exceptions, all the States which belonged to the Confederacy are now formally restored to the Union; and the increase of revenue, aided by a reduction of expenditure, has enabled the Secretary of the Treasury to effect a large reduction of the National Debt. The policy of repudiation, which was countenanced by the late

Congress, and which was eagerly advocated by many leaders of both parties, has become unpopular since the Presidential election. The present Congress has affirmed the necessity of paying the national obligations in specie, and by a late Resolution it has condemned the fraudulent doctrines which were lately professed by half the Republican party, and by a much larger proportion of the Democrats. The PRESIDENT, with the majority of both Houses of Congress, supports the most stringent system of Protection, but there are indications of the growing popularity of more rational doctrines, especially in the Western States, which have an unqualified interest in the establishment of Free Trade. The ingenious perversity of the Tariff taxes various classes of producers in the price of the materials for their industry to a larger extent than the bounty which they receive at the expense of their customers. The shipbuilders, who find that their industry is nearly ruined, are already demanding free importation of timber, hemp, and iron, while they at the same time claim a monopoly of the domestic carrying trade. In the enjoyment of the prosperity which results from the energy of the national character operating on unlimited resources, the people of the United States can afford to commit, for purposes of experiment, almost every legislative and economic blunder.

The unfriendly feeling of the United States is the only disquieting element in the foreign relations of England. Except, indeed, when it becomes necessary to discountenance the opening of some Eastern question, the English Government has lately been but a spectator of Continental proceedings. The warm sympathy which was felt for the Italian cause during the struggle for unity and independence has naturally subsided with the occasion which called it forth. The Government of General MENABREA became unpopular in consequence of alleged viola-

tions of personal liberty, and through the ill success of Count CAMBRAY DIGNY in his attempts to restore the finances. It is still found impossible to collect the taxes in the Southern portion of the kingdom, and the influence of the CROWN and of the General Officers opposes any further reduction of the Army and the Court. The waning popularity of the Royal dynasty has been lately revived by the recovery of the KING from an alarming illness, and by the fortunate birth of an heir to the Crown in the city of Naples. If it is true that VICTOR EMMANUEL, when in imminent danger, refused to make political concessions which were insolently demanded by the priests, he has established a new and valid title to the confidence of the country. It is certain that the expectation of his death revived the recollection of his great services to Italy, and the sense of the uncertainty which might attend the reign of an untried successor; yet the Chamber at the commencement of its winter Session declined to continue to the Ministers the confidence which had never been heartily granted. The election of Signor LANZA to the office of President of the Chamber was equivalent to a decisive vote against the Ministry, and after long uncertainty General MENABREA and his colleagues have been succeeded by Signor LANZA and Signor SELLA. If the new Ministers succeed in reducing the expenditure to the level of the revenue, they will have performed the service of which the country principally stands in need. As the agitation for the acquisition of Rome is for the present suspended, no external anxiety ought to divert the attention of the Parliament and the Government from domestic and economic improvements. The Alps, like the Pyrenees, exempt the Peninsula which they protect from the complications which beset the great Northern Powers. The Austrian Government is still disturbed by the claims of the different Western Provinces to share the

Independence which has been accorded to Hungary ; and a troublesome insurrection on the coast of Dalmatia has lately illustrated the difficulty of governing a heterogeneous Empire by uniform legislation. The rude inhabitants of the country which lies between the hills of Montenegro and the mouths of the Cattaro rose in arms late in the autumn, on the pretext or with the purpose of resisting the Austrian conscription. The highlanders of Montenegro, nominally subjects of the PORTE, and habitual clients of Russia, afford secret countenance to the rebellion of their neighbours, and it has been found impossible to continue the campaign during the inclement season. Suspicions of Russian intrigue have of course occurred both to the Austrian Government and to the Turkish authorities ; but, except that it is a part of Russian policy to promote disaffection among the Slavonic subjects of Austria and Turkey, there is no reason to believe that the petty rebellion on the coast of the Adriatic is due to foreign instigation. Russia has given a temporary security for peace in the form of ulterior preparations for possible war. The Imperial Government has projected an elaborate scheme of railways for military purposes, to connect the Polish frontier, the Crimea, and the Caucasus with the central provinces ; and as the works, which are deemed necessary for defence, can only be prosecuted in time of peace, it may be presumed that no aggressive policy is at present contemplated. The financial condition of the Empire is not flourishing, and material prosperity has for the present been checked by the emancipation of the serfs, but great commercial advantages are anticipated from the extension of the Russian dominion in Asia, where the barbarous despots of Khiva and Bokhara have only the choice of submission or dethronement.

There is reason to hope that the smouldering

feud between Austria and Prussia has lost some of its bitterness. The semi-official journals of Berlin and Vienna have, indeed, constantly exchanged irritating language, and the relations between the Austro-Hungarian Chancellor and the Prussian Minister have been for the most part unfriendly ; but when Count BEUST, in a speech addressed to the delegates who represent the Eastern and Western sections of the Monarchy, had laid a significant stress on the alliance with France, he afterwards found it necessary to explain that his words implied no hostility to Northern Germany. No policy could be more distasteful to Hungary than a renewal of the ancient struggle of Austria for supremacy in Germany, nor are the German States of the Empire disposed to ally themselves with a foreign Power against those who belong to their own race and language. The EMPEROR himself afterwards invited the Prince of PRUSSIA to visit Vienna on his way to Egypt ; and it is possible that the exchange of Imperial and Royal courtesies may represent or promote a friendly understanding. A coolness which has arisen between Prussia and Russia may, perhaps, facilitate a reconciliation with Austria. The old Russian party, which is in favour at St. Petersburg, has lately attempted to apply to the German inhabitants of the Baltic Provinces the same Muscovite propagandism which has for five or six years been practised in Poland. The vexatious interference of Russian functionaries with the religion and language of the EMPEROR's German subjects has excited the same kind of national sympathy which was formerly caused by the vexatious proceedings of the Danish Government in Schleswig-Holstein. It was probably in consequence of the popular dissatisfaction that the Prussian Government lately refused to renew the treaty of mutual extradition which had provided for the surrender of political fugitives who might cross

the Polish frontier. As no Prussian subject was likely to escape into Russia, the operation of the treaty would have been wholly one-sided if its provisions had not been, in deference to public opinion, habitually neglected by Prussia. The formal termination of the agreement is equivalent to a notification that North Germany has become a Power of the first order, and that its Government disapproves persecution in Esthland and Liefland as well as in Poland. The change of Prussian policy provoked from the organs of the Russian Government incessant overtures for that French alliance which has so often been proposed and foretold. The shifting combinations of the great Continental Monarchies, as they are arranged by speculative politicians, seldom possess practical importance, but the alienation of Prussia from Russia, if it proves to be permanent, affords some security for the peace of Europe. As foreign complications have become less urgent Parliamentary opposition is reviving in the Prussian House of Deputies, and even in the more Democratic and subservient Parliament of the North German Confederation. The Ministers have been repeatedly outvoted in both Assemblies on questions of finance and administration. The frequent absence of the PRIME MINISTER in consequence of illness has probably encouraged the Opposition to attack his less powerful and popular colleagues. There is no tendency to assail his external policy, which has lately consisted in simple inaction. The Southern States of Germany still retain their provisional independence, and time and circumstances have modified the warlike intentions of France.

At the beginning of the year, although no fresh cause of quarrel had arisen, there was reason to fear that a war with Prussia might be thought at the same time hopeful and expedient. The reorganization of the French military system and the new

armament of the troops had been completed at the very moment when the Emperor NAPOLEON might have been especially tempted to divert popular attention from domestic politics. The death of Marshal NIEL, who was believed to desire with professional eagerness an opportunity of testing the weapon he had forged, relieved the EMPEROR from the dangerous influence of his most warlike counsellor; and when the elections were immediately impending a gratuitous rupture with North Germany would have been condemned as a transparent device. French enthusiasm had been but little stirred by a petty quarrel with Belgium, founded on the refusal of the KING's Government to sanction a lease of a Belgian railway to a French Company. The pretext for remonstrance was too frivolous to serve as an excuse for serious aggression, and, through the tact of Lord CLARENDON, the good offices of the English Government were so used as to enable the EMPEROR eventually to retire without loss of dignity from a false position. His attention was soon sufficiently absorbed by the General Election. The dissolution of the Legislative Body on the completion of its term of six years had been generally anticipated as a proper occasion for some further relaxation in the system of personal government. When the expiring Legislature was first elected the memory of the Italian campaign was still recent, an Austrian EMPEROR was reigning under French protection in Mexico, and the chronic antagonism of Austria and Prussia apparently secured the permanent division of Germany. The first interruption of the EMPEROR's good fortune was the compulsory retreat from Mexico, which necessarily ensued on the collapse of the Southern Confederacy. Two or three years later the price of connivance at the overthrow of Austria was contumeliously withheld by the victorious Minister of Prussia, and a subsequent project of re-asserting in

concert with Austria the Continental supremacy of France was rendered abortive by the sudden explosion of the Spanish Revolution. The courage of the opponents of the EMPEROR naturally increased as his political failures accumulated, and the enthusiasm of his adherents waned with the felicity by which it had been attracted. A Parliamentary Opposition had been, for the first time since the establishment of the Empire, formed in the Legislative Body, and partial relaxations in the rules which had almost precluded debate had enabled a small body of orators and debaters to revive the suspended practice of political discussion. M. JULES FAVRE and M. EMILE OLLIVIER incessantly protested against absolute Government; and M. THIERS proved that time had not impaired his unequalled powers of vigorous and lively criticism. To conciliate Liberal opinion, or, as his enemies asserted, in the hope of alarming the middle classes by the spectacle of violence and excess, the EMPEROR prepared for the elections by allowing free discussion in the Press, and by removing the existing restrictions on the right of public meeting. The expectation that both concessions would be abused was fully justified. At the meetings which were now for the first time permitted rabid demagogues declaimed not only against the Government, but against religion, property, and marriage. The wildest doctrines were most acceptable to the mass of the population of Paris; and the respectable classes began to suspect that the Empire was not even a security against anarchy. The language of the Ministers and of official journalists left it doubtful whether the toleration of unbounded licence implied conversion to the doctrines of liberty. On one occasion M. ROUHER strenuously repudiated, on behalf of himself and his colleagues, any pretension to independence or responsibility. They were all, he said, merely the faithful servants of the EMPEROR

and the passive instruments of his will. At the general election which was held in May the whole influence of the Government was, in accordance with established precedent, employed in support of the official candidates. The Ministers of former dynasties, and of the Republic of 1848, had been equally active in their interference, and during the earlier part of the Second Empire the great majority of members of the Legislative Body had been openly nominated by the Government. In the election of 1869 the exertions of the Prefects and Mayors resulted in the attainment of a considerable majority ; but the great cities, wherever their votes had not been neutralized by the arbitrary annexation of rural districts, chose representatives hostile either to the existing system of administration or to the Empire itself. The Orleanists and the supporters of Limited Monarchy were almost everywhere defeated, and among the members for Paris M. THIERS alone represented the Constitutional party. M. RASPAIL, an aged and almost forgotten Jacobin of 1848, was returned by a large constituency ; and at a subsequent election to supply vacancies arising from double returns, M. ROCHEFORT was rewarded for a succession of virulent attacks on the person of the EMPEROR by the choice of one of the electoral districts of Paris. The excitement caused by the elections was followed by riots in the capital, extending over three or four days ; but the disturbances were repressed, without the employment of an armed force, by the ordinary police. On the meeting of the Legislative Body in July, the Opposition, numbering 120 members, prepared an interpellation or motion directed against the maintenance of personal Government ; and on the eve of the expected debate M. ROUHER announced, on the part of the EMPEROR, concessions which were believed to embody the principal elements of a Constitutional system. It was

announced that the Senate would be convoked to consider and pass the principal measures which the Opposition had been prepared to demand. The Budget was to be voted in separate chapters, so that the Legislative Body would be enabled to control the revenue and expenditure ; the right of initiating Bills, hitherto reserved to the Government, was to be granted to independent members ; and Ministerial functions were no longer to be incompatible with the tenure of a seat in the Legislature. The leaders of the Opposition, although the collective responsibility of the Cabinet was not included in the proposed change of the Constitution, accepted the EMPEROR's offer as a satisfactory answer to the proposed interpellation, and the Legislative Body was immediately prorogued to allow time for the formal application to the Senate. M. ROUHER, M. BAROCHE, M. DE LAVALETTE, and M. DURUY resigned their places in the Cabinet ; but it was remarked that M. DE FORCADE LA ROQUETTE, who had, as Minister of the Interior, managed the elections, held the same post in a new Ministry, of which the Prince of LA TOUR D'Auvergne was the nominal head. The obedient Senate unwillingly passed the necessary Resolutions ; but the adoption or announcement of a definite policy was necessarily postponed in consequence of the serious illness of the EMPEROR during the months of July and August. At the same time the revolutionary party abused by extravagant violence and loathsome scurrility the unbounded licence of publication and debate which had been substituted for the excessive restrictions of the past. The details of the EMPEROR's alleged infirmities were habitually exposed to the ridicule of the rabble by demagogues who gloated over every genuine or fictitious symptom of danger and decay. While the respectable classes were disgusted and alarmed by the insolence of the prophets of anarchy, they were

also forced to reflect on the precarious condition of a nation which depends for its security on the life and health of an absolute ruler. Partly by its own faults and through the operation of inevitable causes, it is certain that the Empire is shaken to its foundation. Neither the EMPEROR nor the most sagacious of French politicians can know whether it will be possible for him to transform himself from a Dictator into a Constitutional Monarch. After long hesitation the experiment is about to be tried, with the aid of a Ministry in which M. EMILE OLLIVIER, the consistent advocate of constitutional liberty, will preside over a Cabinet of his own selection, instead of sharing power, like his predecessors in office, with colleagues severally dependent on the EMPEROR. The change of itself constitutes a Parliamentary system, and it will be well if the success of the experiment is facilitated by the organization of a moderate majority. The more temperate Republicans, including some members who had been supposed to favour a violent revolution, have separated themselves from the fanaticism of M. RASPAIL and from the revolutionary levity of M. ROCHEFORT; but for the present M. OLLIVIER depends on the support of a party which is especially devoted to the EMPEROR. If Constitutional Government in France is intrinsically compatible with the maintenance of the Imperial dynasty and with universal suffrage, it is possible that the edifice of 1852 may finally be crowned by freedom.

The Spanish Revolution of 1868 has, after fifteen months of provisional government, arrived at no definite conclusion. At the beginning of the year Republican disturbances at Malaga, in the province of Cadiz, and in some other parts of the south of Spain, were vigorously repressed by General CABALLERO DE RODAS, under the orders of the Minister of War. The general election which was held soon afterwards resulted in the return of a

large majority composed of the two parties which support the principle of Monarchy ; and the Cortes reappointed the principal members of the coalition which had dethroned the QUEEN. The Unionists were represented in the Government by SERRANO, who afterwards received the title of Regent, and by Admiral TOPETE as Minister of Marine. Marshal PRIM, as leader of the Progressist party, held the command of the army and the administration of the War Office, and as Prime Minister he became the acting head of the Government. Having provided for the immediate conduct of public affairs, the Cortes proceeded to busy themselves with the idle task of adding another Constitution to the many projects which repose in the archives of Spain. Every security for liberty and for democratic government which could be devised was elaborately provided, and it was determined that the form of Monarchy should be retained ; but the more difficult and important task of electing a King was postponed in deference to the division of opinion which existed in the Ministry. While SERRANO and TOPETE retained their original preference of the Duke of MONTPENSIER, PRIM steadily opposed any candidate belonging to the House of BOURBON. The negotiations for the immediate or ultimate union of the whole Peninsula under a single Crown by the election of the King of PORTUGAL, or of his father, Dom FERNANDO, failed to produce any practical result. The sincerity of the Spanish proposals was, perhaps, doubtful, and it is probable that the Portuguese nation was averse from the surrender of its separate existence. The Government of Lisbon was not exempt from political troubles of its own, for the aged Duke of SALDANHA, supported by some of the principal officers of the army, has ventured to threaten an unpopular Ministry with a military revolt. Prince AMADEUS, second son of the King of ITALY. declined overtures to become

candidate for the throne of Spain ; and it finally appeared that Marshal PRIM had selected the KING's nephew, the young Duke of GENOA, who would for several years necessarily reign only under the tutelage of some Spanish soldier or statesman. The inability of the Ministers to agree on the choice of a King furnished the Republican party with a forcible argument and an unexpected opportunity. One of their leaders, Señor CASTELAR, has proved himself the greatest orator in the Cortes; and out of doors their cause was supported by the mass of the people in the great towns, and by the more turbulent classes in all parts of Spain. After the adjournment of the Cortes in the middle of the summer the country was disturbed by constant agitation, and a few Carlist leaders attempted in the Northern provinces a hopeless insurrection, which was repressed with unflinching severity. In the end of September the Republicans commenced a more formidable movement by the murder of the acting Governor of Tarragona. Several members of the Cortes took the lead of the rebellion, and the troops met with serious resistance at Barcelona and Valencia ; but if there was a general Republican conspiracy, the plot must have exploded prematurely, for Cadiz and Seville and the disaffected districts of Andalusia made no attempt to effect a diversion in favour of the insurgents in the east, and the army, as on many former occasions, soon decided the contest. The Constitutional guarantees enacted six months before were unhesitatingly suspended, and when the Cortes reassembled in November the state of siege was established throughout the kingdom. Marshal PRIM has since employed himself in unsuccessfully promoting the selection of the Duke of GENOA ; and Admiral TOPETE, with other members of the Unionist party, has retired from the Government. Marshal SERRANO retains the Regency. The insur-

rection in Cuba has not yet been repressed, but the rebel leaders have never succeeded in holding the field against the Spanish troops. A tender of the good offices of the American Government was received in Spain with general indignation ; and it seems probable that General CABALLERO DE RODAS, who has succeeded General DULCE as Commander-in-Chief, will soon restore tranquillity to the island.

The progress or change of opinion, both in Spain and throughout Latin Christendom, is remarkably illustrated by the indifference of all Catholic Governments to the assemblage of a General Council of the Romish Church. Under the influence of pious enthusiasm and characteristic vanity, and encouraged by the success of previous measures of innovation, PIUS IX. resolved a year ago to crown his long and eventful Pontificate by the formal assumption, under the sanction of the collective Episcopate, of semi-divine attributes, which have hitherto only been conferred on the Holy See in vague ecclesiastical rhetoric or by unauthorized popular belief. With an influence over the community of priests and devotees growing in proportion to the relaxation of its hold on the outer world, the Papal Power had already sufficed to add a new mystery to the Catholic creed, and to promulgate, without provoking open resistance, a detailed and elaborate contradiction of all the truths which have been added to the sum of political knowledge by modern study and experience. It only remained to obtain from a Council which would, according to old tradition, be itself infallible, the sanction of the personal infallibility of the Pope, and, consequently, the retrospective confirmation of the validity of his previous decrees. After long preparation, the summons to Rome was obeyed by the Patriarchs and prelates of the Roman Catholic world, who, on the 8th of December, met in St. Peter's with all the solemn ceremonies of the mediæval Church.

Nothing was wanting to the splendour of the occasion except the concurrence or interference of the Governments which represent the entire Catholic community, excepting priests and Bishops. France, Spain and Portugal, Italy and Austria, Belgium and Bavaria, stood aloof, after tacit or express notifications that no decree of the Council would affect the civil relations of the State. Half-a-dozen dethroned Princes represented by their attendance the evil fortune which has of late seemed inseparable from political connexion with the Holy See. During the reign of the present POPE, Italy, Austria, and Spain have fallen away from his allegiance, and not a single Government in any part of the world now acknowledges his pretensions to temporal power beyond the limits of his own dominions. The dream of omnipotence into which he has been lulled by the adulation of priests and zealots has at last itself been rudely disturbed by opposition within the ranks of the clergy. The ablest Bishops of France, the most learned Catholic theologians of Germany, have denounced as illtimed and mischievous the project of unsettling belief under pretence of developing it. It matters little to the Catholic laity, and not at all to the Protestant community, whether Pius IX. may be deterred from causing his majority to add an ostensible consecration to his inopportune pretensions ; but his rashness in convoking the Council may, perhaps, by the divisions which it will cause in the Church, indirectly produce important political results.

To Englishmen primarily interested in the welfare of their own country the passing year has afforded little satisfaction. Although more than three years have now elapsed since the great commercial and financial shock of 1866, there has been no healthy revival of trade. The cotton mills are still suffering under an insufficient and dear supply of raw material and a demand which is stagnant

under the influence of high prices. All classes of manufacturers complain of the impediments which are offered to production by the vexatious regulations of Trades' Unions ; and, on the other hand, the representatives of the mechanics either deny that their organization is driving trade to foreign countries or anticipate in a cosmopolitan alliance among the workmen of all countries the means of finally reducing employers and consumers to common dependence. In some of the northern and midland towns obscure local politicians have taken advantage of the dulness of trade to commence a feeble agitation for the re-establishment of Protection under colour of a demand for Reciprocity. The approach of the time at which either party may give notice to terminate the French Commercial Treaty furnishes a pretext for the demand that English duties shall be raised unless French duties are lowered. As the manufactures which are injured in the home market by French competition would, even in the absence of duties, be undersold in France, it is obvious that the alleged grievance could only be redressed by an increase of English taxation. The great producers of cotton and hardware ask for no protective duties ; nor is the maintenance of the Treaty endangered except by the political opposition which has lately arisen in France against all measures which have been carried by the exercise of the Imperial prerogative. The risk of an economic reaction affords a strong argument in support of the objections which we urged in 1860 against the principle of Commercial Treaties. One cause of the continued commercial depression is to be found in the discredit which has attached to joint-stock enterprise since the discovery that liability on shares of which only a small part was called up might be practically unlimited. The ruinous litigation in the process of winding up Companies also exercises a deterring

effect ; and a series of criminal prosecutions of Directors for alleged misrepresentation has necessarily caused men of commercial experience and reputation to decline a thankless and hazardous office. The recent acquittal of the Directors of the Limited Company of OVEREND and GURNEY on an indictment for alleged conspiracy and misrepresentation will probably discourage the repetition of similar proceedings, except in case of definite fraud. A legal or judicial experiment on an entirely different subject matter has not produced satisfactory results. The Judges who, under the Act of 1868, were appointed to inquire into disputed elections discharged their duties with the integrity and ability which they were expected to display ; but in their necessary adherence to fixed rules they confirmed some doubtful elections, and they unseated some members who had conducted their contests with substantial honesty. Tribunals of a more elastic quality have a wider power of modifying precedents in reference to the general merits of the particular case. The difference between judicial and inquisitorial functions was illustrated by striking exposures of scandalous corruption by Commissioners appointed to inquire into the election practices of various boroughs. The inevitable disfranchisement of Beverley and Bridgwater will probably not be the sole result of the Reports of the Commissioners.

There has been no disturbance of public order in England or Scotland ; but the social condition of Ireland during the latter part of the year has been painful and alarming. Only sanguine politicians hoped that the abolition of the Irish Establishment would summarily put an end to Irish discontent. The performance of a great act of justice, and the removal of a perpetual impediment to the conciliation of the Irish people, required no immediate reward to justify the policy of Government and of Parliament. The forebodings of the opponents who

asserted that no return of gratitude could be expected from the Irish people have been in the first instance verified. The new organization of the disendowed Church has met with serious obstacles, and the more violent section of Irish Protestants is in a state of extreme irritation. The increase of agrarian lawlessness and of open disaffection seems a graver cause of disappointment; yet prudent statesmen must have foreseen that the teachers of sedition would attribute to fear, and accept as an instalment of concession, one of the most deliberately conscientious measures which have ever been adopted by a Legislature and a nation. The promise of an Irish Land Bill to be introduced in the next Session naturally excited the hopes of the tenant farmers, nor was it surprising that their demands soon exceeded all limits of reason and justice. Lay and clerical demagogues stimulated the agitation with vigour and effect, and hostility to landlords in many places exhibited itself in the form of agrarian murder. The contagion of seditious violence rapidly extended beyond any question of the tenure of land. In the early part of the year the Government had somewhat hastily released some of the Fenian convicts, including one or two persons who might have caused trouble by their claim of American citizenship. The principal offenders, before their departure to the United States took an opportunity of proclaiming in insolent language their continued hostility to the English Government, and on the same occasion the assassination of a member of the Royal Family, who happened to be travelling in Ireland, was publicly suggested to a sympathetic audience. After the close of the Session a formal agitation was commenced for the release of the remaining prisoners, and the promoters of the movement, after the manner of Irish rebels, took care to defeat their own professed object by expressing the loudest sympathy

with the crimes of which the prisoners had been convicted. Even if the Government had wished to comply with the demand, public opinion in England would have been sufficiently unanimous to render concession impossible. Mr. GLADSTONE, in a studiously conciliatory letter, announced that the convicts would not at present be released, and from that time the Fenian leaders and their organs in the treasonable Press have openly advocated rebellion. On more than one occasion the pretended supporters of amnesty have dispersed meetings held to promote, under the name of fixity of tenure, the confiscation of the land. A fear of summary measures of repression and the despatch of additional regiments to Ireland have lately caused a lull in the tempest of sedition ; but there is no hope of improvement in the condition of Ireland except through the gradual operation of remedial measures. Agitators who misconstrue the motives of beneficent legislation will ultimately find that, when the conscience of England is fully satisfied, proposals tending to the dismemberment of the Empire will be met by a unanimous and irrevocable refusal.

The relations of the Imperial Government to the Colonies bear an entirely different character. The policy of decentralization, while it has effectually removed former grounds of complaint against the Colonial Office, has in one or two instances produced a partial reaction against the burdens and responsibilities of independence. The Government of New Zealand, which a few years ago insisted on the recall of the English troops, has lately endeavoured in vain to procure the reversal of a decision in accordance with its former request. In consequence of the unfavourable progress of the chronic war with the Maories of the Northern Island, the Legislature applied to the Home Government for a military force, to be maintained at the expense of the Colony. The effect in New Zealand of the

peremptory refusal of Lord GRANVILLE is not yet known in England, but the final withdrawal of the garrison has naturally given rise to a controversy on the principles of colonial administration. The change which has occurred in the relations of the Imperial Government to distant dependencies is still imperfectly understood. Communities, like private men, are slower in acknowledging their duties than in appreciating their rights, and some time may elapse before the Colonies fully understand that their exclusive control over their own affairs involves a corresponding obligation to provide for internal self-defence. Against civilized enemies the English Government is bound to protect them as long as it retains the management of foreign policy. The remaining bond of union may, perhaps, be found too elastic for practical use, but a closer tie of command and obedience would inevitably have burst it asunder. The warning furnished by the bitter hostility of the revolted Colonies of North America to the Mother Country has, happily, not been neglected by English statesmen.

Only two persons of political eminence have died during the year, for an American ex-President on the completion of his term of office retires not only into private life but into obscurity and oblivion. LAMARTINE still retains his reputation as a poet among his countrymen, who are the only competent judges of their own literature. In his brilliant prose writings he confused history with romance ; and during his three months' career as a statesman his eloquence and showy personal qualities were more than counterbalanced by the weakness of character which speedily precipitated him from power. He might, by supporting the Regency of the Duchess of ORLEANS, have averted a Revolution which he scarcely approved ; and afterwards, if he had justified the confidence of the great Conservative majority of Frenchmen, he might, perhaps, have

saved the Republic. When he weakly tampered with Jacobinism, the popularity which he courted burst like a bubble ; and within a few weeks from the culmination of his apparent greatness he was finally thrust aside and forgotten. The career of an English statesman is not exposed to sudden reverses of fortune. Lord DERBY rose to eminence nearly forty years ago, and he died, soon after his formal resignation of power, in the full enjoyment of his fame. He was on the eve of becoming the leader of the Liberal party when he deserted its ranks to become, after an interval, the leader of the Conservatives. In the earlier period, while he was a colleague of Lord GREY, his name was associated with considerable achievements in legislation. He carried the emancipation of the West Indian slaves ; he established national education in Ireland ; and by the abolition or amalgamation of several bishoprics, he dealt the first blow to the Irish Church. In the more congenial character of a Conservative leader, though he was three times Prime Minister, he devoted his efforts chiefly to obstruction of change ; but under the impulse of a will more resolute than his own he became the instrument of the greatest triumph which Democracy has yet attained in England. He was a graceful and impetuous orator ; his great position, his manly bearing, and his playful humour made him one of the first of Parliamentary leaders ; but he never rose to the rank of a statesman. His death, in the fulness of years, while his powers were still unimpaired, cannot be considered inopportune. The political period to which his tastes and faculties were best adapted had ended with the passing of his Reform Bill. He was, perhaps, the last of the long series of Ministers who have represented the qualities and defects of the English aristocracy.

1870.

The astonishing events of the second half of 1870 have reduced previous and contemporary transactions to real or apparent insignificance. In England spectators of the great Continental drama have almost forgotten for the moment their own domestic affairs. At public meetings, as in private society, speakers have, with the approval of the audience, habitually departed from the avowed purpose of the assemblage to the absorbing topic of the war; and publishers have almost suspended literary enterprise because neither fiction nor former history is capable of competing with the thrilling narratives which from day to day excite and surpass expectation. It was easy to foresee that a great European war would involve neutral States in direct and indirect complications; but during the early part of the war the general interest in the fortunes of the campaign was in a great measure disinterested. It is true that industrial and commercial activity, which had at last revived after a long depression extending over three or four years, was checked and disordered by the sudden closing of Continental workshops and markets. Although the suspension of foreign competition may ultimately be beneficial to English producers, the course of trade has been greatly deranged, and heavy losses have been incurred by the fluctuations in the value of investments. Immediately after the outbreak of the war a rapid fall in the price of cotton produced an almost entire interruption of business at Liverpool; and at the same time the depreciation of stocks and shares was as great as at the commencement of the Crimean War. Notwithstanding a large and steady increase of traffic returns, the value of the principal English railway stocks fell in the third week of July from 6 to 10 per cent. At the same time the Bank

rate of interest was raised to 6 per cent., but it was afterwards rapidly reduced when the first impression of uneasiness had disappeared. Confidence was again rudely shaken by the publication of the Russian Circular in the middle of November, but up to the present time the condition of the country has, on the whole, been fairly prosperous. In their annual speeches at the Mansion-house the PRIME MINISTER and the CHANCELLOR of the EXCHEQUER were able to announce that the public revenue maintained its customary elasticity. Either in consequence of recent legislation, or through the influence of an unusually favourable season, Ireland has for some time past been tranquil and, at least, passively contented. The outrages which during last winter caused general alarm and indignation were immediately discontinued when Parliament passed the Act for the Preservation of the Peace. Except during the celebration of the Orange anniversary in the North, agitators have confined themselves to comparatively harmless demonstrations of sympathy with the French against the Prussians. A feeble attempt to enlist recruits for the service of France would have proved entirely abortive, even if it had not been repressed by legal proceedings.

The war, commenced for the purpose of securing the dynasty which became its earliest victim, was preceded by a long series of domestic intrigues, directed to the attainment of the same object. After the general election of 1869, the Emperor NAPOLEON had, in apparent deference to public opinion, consented to adopt the system of Parliamentary Ministries, and to allow of some other amendments of the Constitution. After much negotiation, M. EMILE OLLIVIER accepted in the first days of 1870 the commission of forming a Liberal Ministry. M. BUFFET, M. LOUVET, and Count DARU, all of them hitherto considered oppo-

nents of the Empire, took office with M. OLLIVIER in the belief that a system of Parliamentary Government was at last to be established. A few weeks afterwards, in answer to a question of M. JULES FAVRE, Count DARU declared that the Government, if it were placed in a minority, would either resign or dissolve. Other Ministers, including M. OLLIVIER, at the same time denounced the practice of proposing official candidates, but they declined to dissolve an Assembly in which the majority of the members owed their seats to Ministerial favour. The dismissal of M. HAUSSMANN, the celebrated Prefect of the Seine, and rebuilder of Paris, tended more than any other measure to confirm the belief that M. OLLIVIER really possessed the power of a responsible Minister. Those of the old Parliamentary Liberals who still held aloof from the Imperial Court were disposed to support M. OLLIVIER's Government; but the Republicans in a body rejected all overtures and attempts at compromise, and the revolutionary journals echoed and fostered the animosity of the population of Paris against the Emperor and his dynasty. Within a week after the formation of the Government a strange and sinister event occurred to increase and excuse the general feeling of disaffection. Prince PIERRE BONAPARTE, son of LUCIEN, a man of violent temper and more than doubtful character, shot in his own house a young man called VICTOR NOIR, who had, with a companion, brought the Prince a challenge. The quarrel arose out of a coarse and libellous newspaper controversy between Prince BONAPARTE and a writer in the *Marseillaise*, the well-known paper of M. DE ROCHEFORT. It was impossible to ascertain the facts of the homicide, which, according to the testimony of the only surviving witness, was a wanton murder, while the perpetrator asserted that he had fired his pistol in self-defence. The working classes and the rabble of Paris un-

hesitatingly adopted the conclusion that the PRINCE was a lawless assassin, if not the instrument of a Palace conspiracy. Their irritation was increased by the discovery that under the existing Constitution a member of the Imperial Family could only be tried by the High Court of Justice, assisted by a jury of members of the Conseils-Généraux. Their suspicion was so far justified that the tribunal ultimately acquitted the accused Prince, either in consequence of the demeanour of the hostile witness, or through a prejudice against the seditious writers with whom the deceased had been associated ; but the populace was not disposed to wait for a judicial inquiry into a question on which its own convictions were irrevocably formed. At the funeral of NOIR outside the walls a large and angry mob was invited in inflammatory speeches to march upon Paris, and it was only through the prudent remonstrances of ROCHEFORT that the design was abandoned. The Legislative Body, on the demand of the Ministers, afterwards authorized the arrest of ROCHEFORT himself, under a sentence for the use of seditious language. A slight disturbance which ensued in Paris was easily suppressed, and the incident gradually ceased to excite attention. Although the EMPEROR could not justly be held responsible for the violence of his ill-conditioned kinsman, it was felt that the popularity of the reigning family had suffered a serious blow. On the other hand, the Ministers received a certain amount of credit for their success in maintaining order. M. OLLIVIER's confidence in his own sagacity and in the good faith of the EMPEROR was soon subjected to an unexpected test. The former master of France, notwithstanding the sincerity of his conversion to Liberal principles, retained, as it appeared, a scrupulous respect for the Constitution which he had himself bestowed on his country. It was necessary in his judgment, that the Senate

should take a part in modifying the Constitution, of which it was the appointed guardian. The well-known complaisance of the august body of which M. ROUHER had lately become President seemed to afford a guarantee against any obstinate interference with the EMPEROR's Liberal policy ; but when the result of the deliberation was published, it was found that the Senate also had scruples. The promised reforms were readily sanctioned, but, as an additional security for the sovereignty of the people, the Revised Constitution provided that the EMPEROR might at any time submit any political issue to universal suffrage in the form of a *Plébiscite*. No Liberal could fail to perceive that the provision was inserted by the EMPEROR himself, with the meaning and purpose of rendering all constitutional rights dependent on the caprice and ignorance of a majority to be manipulated by Prefects. Any doubt as to the interpretation of the *Senatus Consultum* was removed by the official announcement that the new Constitution was itself to be submitted to a popular vote. The questions which were nominally to be answered were wholly indifferent and unintelligible to the great mass of the population ; and it was foreseen that the votes would really be given between the Empire, with all its original characteristics, and revolutionary anarchy. As soon as the EMPEROR's intentions were disclosed, Count DARU, M. LOUVET, and M. BUFFET consulted their self-respect by immediate resignation. M. OLLIVIER's vanity and political blindness induced him still to cling to a position in which he could henceforth only be either a tool or an accomplice. His name was appended to a Ministerial Circular on the proposed *Plébiscite*, but the EMPEROR himself addressed a separate appeal to the constituency, which was expected to renew his absolute power. A plot against the EMPEROR's life was opportunely discovered or devised by the

police ; and his calculations were confirmed by a majority of five and a quarter millions against a million and a half. Nevertheless, an alarming manifestation disturbed the satisfaction of the triumph. Fifty thousand soldiers had voted in the negative, and insidious counsellors suggested to the EMPEROR that their dissatisfaction was caused by the decline of France in military reputation since the Battle of Sadowa. The vote was taken on the 10th of May, and immediately afterwards, in an evil hour, the Duc DE GRAMONT, for many years Ambassador at Vienna, and a pliant courtier of NAPOLEON III., took charge of the Foreign Department, which had been vacated by Count DARU. Marshal LEBŒUF had already earned, by similar qualities, the succession, on the death of Marshal NIEL, to the post of Minister of War. The habitual preference of docile agents to independent coadjutors, which had in prosperous times gratified the EMPEROR's love of personal supremacy, was now to be counted among the most fatal causes of his long series of disastrous blunders. A competent statesman at the Foreign Office would have discerned and corrected the misrepresentations of the shallow and incompetent diplomatists who were employed to collect information at the different German Courts. On the authority of Princes, of Prelates, of noblemen, and generally of the society in which French was commonly spoken, Ambassadors and Envoys reported to their Government that universal dislike of Prussia was combined with a disposition to rely on the protection of France. With German literature and journalism, and with the opinions of the great mass of the community, the representatives of France were utterly unacquainted, nor could they understand the impotence of provincial jealousies and fashionable antipathies to resist an outburst of national enthusiasm. The real impediments to the completion of German unity might

have been augmented and multiplied by the prudent inaction of France. Repugnance to the Prussian system of military service prevailed widely in the South, and even within the limits of the North German Confederacy a desire for the reduction of armaments was becoming general. To justify and realize the boldest aspirations of Count BISMARCK it was only necessary that the French Government should prepare for an aggressive war. In the early part of the year the EMPEROR, in an interval of indecision, induced Lord CLARENDON to sound the Prussian Government on a proposal of simultaneous disarmament; but Count BISMARCK, fully informed of the designs which had been recently in agitation, coldly replied that the North German military system rendered any arrangement of the kind impracticable. While the Duc DE GRAMONT faithfully transmitted and echoed the erroneous statements of his diplomatic agents, Marshal LEBŒUF, with unaccountable perversity, reiterated his assurances that the army was in the highest state of efficiency. As experience afterwards proved, discipline had been dangerously relaxed, material preparations of every kind had been scandalously neglected, and, for political reasons, the reserve forces which had been included in Marshal NIEL's scheme of military organization had never been trusted with arms. The EMPEROR's subsequent confessions convict him of indolent neglect of the functions to which a military Sovereign might have been expected to attach primary importance. He relied for his knowledge of the state of the army on an incompetent Minister of War, and he judged of the disposition of the minor German States from the statements of a frivolous Minister of Foreign Affairs. On the eve of the final rupture Count BEUST in vain warned the EMPEROR that he would be disappointed in his reliance on the assistance of Austria and on the neutrality or support of Bavaria and Würtemberg.

Fears for the security of his dynasty, which would undoubtedly have been confirmed by a successful war, prevailed over the plainest considerations of patriotism and prudence.

A pretext for the premeditated quarrel had been for some time kept in reserve, perhaps not without the malicious connivance of the North German CHANCELLOR. The Provisional Government of Spain had in the beginning of the year been once more baffled in their search for a King by the refusal of the King of ITALY to allow his nephew, the young Duke of GENOA, to accept the vacant Crown. Early in June, during a debate on a resolution of the Cortes that the election of a King should require an absolute majority of the whole body, Marshal PRIM stated that a candidate in all respects eligible had been temporarily deterred from offering himself by an abortive Republican insurrection which had been attempted in the spring. It was known to all well-informed politicians, and especially to the French Ambassador at Madrid, that the Prime Minister referred to Prince LEOPOLD of HOHENZOLLERN, brother of the reigning Prince of ROUMANIA. The French Government was also aware that Marshal PRIM intended to renew his proposal, which he probably believed to be acceptable to the EMPEROR. Prince LEOPOLD was connected with the families of MURAT and BEAUHARNAIS, and he had been a visitor at the Tuileries. Though a Prussian subject, he was not related to the Royal Family, except through a common ancestor seven hundred years ago. More than one project for filling the Spanish Throne had previously been rejected at the instance of the French Government, and Marshal PRIM would, undoubtedly, have withdrawn his latest proposal on a hint that a Prussian candidate would be distasteful to the EMPEROR. In the first days of July the Spanish Ministers publicly announced their inten-

tion of recommending Prince LEOPOLD to the Cortes for election ; and on the 6th, to the surprise of France and Europe, the Duc DE GRAMONT read in the Legislative Body an inflammatory speech, in which he declared that the acceptance of the nomination by Prussia would be regarded as a cause of war. It is always difficult to distinguish public opinion in France from the results of official inspiration, but the Minister's warlike language was vehemently applauded by the majority of the Legislative Body, and it was apparently received with enthusiasm by the Parisian populace. M. JULES FAVRE and some of his Republican colleagues expressed disapproval of the war ; but as they had habitually taunted the EMPEROR with his acquiescence in the events of Sadowa, their peaceable language was naturally attributed to a spirit of opposition. M. THIERS also censured the policy of the Government, on the ground, as he afterwards explained, that the army was not prepared for war. The reports of the Prefects, since published by the Republican Government, showed that the provincial population was entirely disinclined to engage in an unnecessary war. The agents of the Government had in the previous May frequently assured the rural electors that an affirmative vote in the *Plébiscite* would be given for the Empire and Peace ; but the supposed desire of 50,000 malcontent soldiers outweighed with the EMPEROR the wishes of the laborious population. An opportunity of retracing his steps at the last moment was offered and wasted. On the earnest application of the English Government, the King of PRUSSIA consented to advise Prince LEOPOLD to refuse the Crown of Spain ; and it was evident that such a recommendation was equivalent to a command. Prince LEOPOLD's father, as head of the Princely branch of HOHENZOLLERN, wrote to the Spanish Government to withdraw his son's pretensions. and

M. OLLIVIER, who had not been admitted to the EMPEROR'S confidence, announced in the Legislative Body that the dispute was settled. It has been stated, with much probability, that the EMPEROR hesitated at the last moment, nor can he have been deceived by the noisy and factitious agitation of the rabble of Paris, but Marshal LEBŒUF once more asserted to the EMPEROR and the Cabinet that the army was perfectly ready, and it was determined to require a promise from the King of PRUSSIA that he would at no future time sanction the proposal of the HOHENZOLLERN candidate. It was well known that the demand must inevitably be refused, and it was finally thought expedient to invent an additional pretext for a Declaration of War. A paragraph in the Prussian papers, to the effect that the KING had refused an audience to the French Ambassador, was described by the Duc DE GRAMONT to the Legislative Body as a Circular Despatch ; and, amid shouts of approval, he declared that an insult had been offered which could only be avenged by war. M. OLLIVIER added, in words which will become historical, that he accepted the challenge of Prussia " with a light heart ;" and M. ROUHER, in an address of the Senate to the EMPEROR, declared with cynical candour and unconscious irony that the war was opportune because the interval of four years since Sadowa had been employed in perfecting the organization of the army. It is not absolutely certain that France would have been allowed to retract the Duc DE GRAMONT'S imprudent defiance. Before the final resolution of the EMPEROR had been announced, Count BISMARCK told the English Ambassador at Berlin that the KING was generally blamed for his concession, and that it might, perhaps, be necessary to demand securities against a repetition of the recent menace. At the same time there appeared in the German papers a report of an act of rudeness

supposed to have been committed towards the KING by Count BENEDETTI, the French Ambassador. It was strange that two nations should at the same moment be moved by imaginary affronts thought to have been offered to their respective Governments. An aide-de-camp delivered the French Declaration of War at Berlin on the 16th of July, when the French armies had already commenced their march to the frontier. Both belligerents had previously rejected Lord GRANVILLE's suggestion that, in conformity with the Declaration of 1856, the quarrel should in the first instance be referred to mediation.

The EMPEROR announced his intention of commanding in person, with Marshal LEBŒUF as Major-General, or virtual chief of the army. Marshal MACMAHON was summoned from his government of Algeria to command the right wing, which was to assemble in the neighbourhood of Strasburg, and Marshal BAZAINE, with General FROSSARD, General DOUAY, and General DE FAILLY, prolonged the line northward as far as Metz and towards Thionville. It was naturally thought that the author of a premeditated war would at least gain the advantage of making the first offensive movement. But the Duc DE GRAMONT's obsequious arrogance, prompted by his master, effected in a moment the object for which statesmen and patriots had laboured for generations. Baden had long been united in sympathy and policy with Prussia, and the young King of BAVARIA shared the antagonism the mass of his subjects felt to the French leanings of a portion of the aristocracy and the clergy. The Court of Würtemberg, though it was known to be bitterly hostile to Prussia and to the cause of German unity, feared to oppose the almost unanimous determination of the people. The Crown Prince of PRUSSIA, appointed by the KING Commander-in-Chief of the South German Armies, was welcomed with unani-

mous expressions of devotion. Courtiers and exile who had promised to France the aid of Hanover had utterly misunderstood the comparative feebleness of the resentment felt against the aggressive neighbour who had annexed that kingdom in 1866, and the burning indignation aroused by the alien invader who was the hereditary enemy of Germany. To encourage well-wishers and terrify adversaries in the country south of the Main it was the interest of NAPOLEON III. to adopt the same plan of campaign as was dictated by obvious military considerations. With a start of a fortnight over his enemy, and profiting by the projection of French territory beyond the Vosges, he might have separated a great part of South Germany from Prussia before the German forces were ready to oppose him. The superiority afterwards displayed by the German troops renders it probable that the result of the campaign might have been the same if the French had commenced either their boasted march to Berlin or the more practicable invasion of Bavaria ; but civilians could understand as well as soldiers that if the French army was to remain on the defensive the war ought never to have been begun. Marshal LEBŒUF seems to have been wholly devoid of the qualities of a General, and as an administrator he had reduced the army to confusion. The Commissariat broke down at the beginning of the campaign, the Artillery was deficient in the necessary material, Staff officers were ignorant of the geography of the country, and Generals wandered about in search of the troops whom they were to command. The EMPEROR lingered at Paris till nearly the end of July, probably in consequence of the unprepared state of the army ; and in the meantime an event had occurred which, although it had no direct influence on the campaign, largely affected the opinion of neutrals. On the 25th of July we published in these columns the draught of

a treaty by which, in consideration of the assent of France to the extension of the North German Confederation, the King of PRUSSIA was to permit and aid a French conquest of Belgium. The subsequent history of the transaction was contained in the record of the Parliamentary Session : and it is enough to say that the negotiation and the disclosure augured ill for the success of a policy intrusted to agents so incompetent as Count BENEDETTI. General MOLTKE was reported to have said that unless the EMPEROR crossed the Rhine in a fortnight he would never see it, at least as an invader. By the end of the appointed interval the gathered strength of Germany was advancing to the Rhine with a stern resolution, shared by the whole population, to make an end once for all of French menaces and invasions. The KING, with General MOLTKE at his side, nominally commanded the whole army. The CROWN PRINCE, accompanied by General BLUMENTHAL, led the South German army, including a Prussian contingent ; and Prince-FREDERICK CHARLES and General STEINMETZ directed their course towards the valley of the Moselle. At last, on the 2d of August, the Emperor NAPOLEON advanced from Metz across the frontier, and by a cannonade from the neighbouring heights compelled a small Prussian detachment, after a slight resistance, to retire from the town of Saarbrück. This exploit was apparently performed to furnish matter for a despatch in which the EMPEROR, appealing, as on many other occasions, to the histrionic propensities of Frenchmen, informed the EMPRESS that the PRINCE IMPERIAL had in the combat of Saarbrück received his " baptism of fire." The First NAPOLEON, in the midst of some victorious campaign, might, perhaps, have safely indulged in such a flourish ; but the Parisians ridiculed the unnecessary and ostentatious exposure of the boy to danger, although they could not foresee that the

first cannon shot of the war sounded the knell of his hopes and fortune. The idle parade of the 2d of August was soon followed by more important events. On the 5th the CROWN PRINCE fell unexpectedly on General ABEL DOUAY, who held, with a force belonging to the left wing of MACMAHON'S army, the celebrated lines of Wissembourg. General DOUAY was killed, his troops were utterly defeated, and the CROWN PRINCE had the satisfaction of forwarding the first trophies of the war to Berlin. The error of leaving MACMAHON at a distance from the main army beyond reach of support is generally attributed to LEBŒUF. After the combat of Wissembourg, Marshal MACMAHON concentrated his forces, amounting to 45,000 men, in a strong position near Woerth, where the CROWN PRINCE, by a southward movement, fiercely attacked him on the 6th. The Marshal handled his troops with skill, and the French, though outnumbered in the proportion of nearly two to one, fought bravely until their positions were carried; but at the end of the day they broke up in disorderly flight, leaving the enemy an enormous booty of guns and stores, and many thousands of prisoners. The beaten army, now reduced for the time to a rabble, made the best of its way to the north-west, without any attempt to defend the difficult passes of the Vosges. It was impossible at the time to take the strong places of Bitché and Phalsbourg, but Nancy submitted without resistance, and the PRINCE after crossing the mountain ridge, continued his unopposed march in the direction of Paris. A kind of consolation for the disaster of Woerth was found in the excuse that superior generalship had given the Germans the advantage of numbers; but a defeat simultaneously incurred in the neighbourhood of Saarbruck admitted of no similar explanation. After the skirmish or demonstration of the 2d, General FROSSARD held the heights of

Spicheren, to the west of Saarbrück, with a considerable force. On the 6th General STEINMETZ, arriving almost by accident at the spot, stormed the hill with a smaller force, inflicting heavy loss on the defeated enemy. As the right wing of the French was exposed by the retreat of MACMAHON, while it was evident that the Germans were advancing in formidable strength, the main army concentrated round Metz under Marshal BAZAINE, to whom the EMPEROR afterwards resigned the chief command.

The defeat of the army, announced by the EMPEROR in an unusually veracious proclamation, produced a violent agitation at Paris. The Legislative Body, summoned by the EMPRESS in her capacity of Regent, passed a vote of censure on the Ministers, who immediately resigned. No man lamented the swift retribution which had fallen on OLLIVIER and GRAMONT ; but it was remarked that the EMPEROR took the opportunity of surrounding himself with still more devoted adherents. The vote of want of confidence was moved by M. CLEMENT DUVERNOIS, who enjoyed the EMPEROR's favour, and the new President of the Council and Minister of War was General MONTAUBAN, Count of PALIKAO, who had recently commanded at Lyons. The other Ministers belonged to the same political section, but substantial power was necessarily concentrated in the hands of the MINISTER of WAR. In deference to public opinion and to the wish of the Legislative Body, General TROCHU, well known both as an accomplished officer and as an opponent of the Imperial system, was appointed Commander of the Army of Paris. Although the contingency seemed remote, it began already to be suspected that the Capital might possibly be exposed to a siege. Commendable efforts were made to reinforce MACMAHON, who had by this time arrived at the Camp of Chalons. The French armies, under

BAZAINE and MACMAHON, still numbered 300,000 men, and by effecting a junction the Generals might still hope to retrieve the early misadventures of the campaign. With a sufficient and not excessive garrison Metz might have held out for an indefinite time, and thus far the enemy had not obtained possession of a single French fortress. The same incapacity which had caused the defeat of Woerth and the evacuation of Alsace still, however, prevailed in the French military councils. It was probably through a fear of the political consequences of retreat that the EMPEROR induced BAZAINE to linger in the outskirts of Metz for more than a week after the battle of Woerth. On the 14th the EMPEROR himself was persuaded to retire to Chalons, and in the afternoon of the same day BAZAINE commenced his retreat. In the meantime the German armies had been rapidly advancing from the east and north-east, and General MOLTKE discerned the possibility of cutting off BAZAINE from Chalons and Paris, as he had previously separated MACMAHON from LEBŒUF and BAZAINE. As soon as the movement of BAZAINE's troops was observed, he was attacked with desperate valour by STEINMETZ, at the head of an inferior force, and the result of the struggle was the interruption of the retreat for an entire day. On the 16th and 18th two of the bloodiest battles recorded in history were fought to the west of Metz, at Rezonville and Gravelotte. On the 16th Bazaine claimed the victory, having, perhaps, suffered less than the enemy; but the prize of success was the opportunity of continuing his retreat, and on the 17th he retired to a position four miles nearer to Metz than that which he had occupied on the previous day. In the great battle of the 18th, after an obstinate resistance, BAZAINE's position was carried by the Germans; and, retiring under cover of the outlying Metz forts, he finally abandoned his communications with the army of

MACMAHON and with the rest of France. Prince FREDERICK CHARLES, to whose command the corps of STEINMETZ was soon afterwards attached, proceeded to invest Metz and the beleaguered army with lines which were made practically impregnable. The hopes of France seemed now to rest on the army of MACMAHON, who had the free choice of lines of retreat to the north, the south, and the west. The CROWN PRINCE, who was advancing on Chalons, had every reason to desire a decisive battle, as it would have been dangerous to attempt the siege of Paris while a considerable French army was still in the field. Once more the evil genius of France interfered in the form of the EMPEROR'S extravagant deference to the opinion of the Paris Regency, which governed only under his commission. NAPOLEON III. has since asserted that he was himself opposed to the fatal movement to the north-east, which was now urged upon Marshal MACMAHON by the MINISTER of WAR. The attempt to relieve Metz, like the delay which had ruined BAZAINE, was suggested by political considerations. The EMPEROR had begun the war to make his dynasty popular; he had lingered at Metz because a retreat might cause agitation; and now he allowed Count PALIKAO to overrule the objections of MACMAHON, on the ground that the abandonment of BAZAINE would involve a revolution at Paris. Against his own judgment MACMAHON broke up from Chalons on the 22d of August for Rheims; and then, turning northwards, he directed his march by Rethel and Mouzon towards Montmédy. As soon as the CROWN PRINCE heard of the evacuation of Chalons he pressed forward to intercept the movement on Metz, under the disadvantage of having been anticipated by two days' march of the enemy. Unfortunately for MACMAHON the imperfect discipline of his troops delayed his movements, and on the 29th the German

Cavalry came into contact with his rearguard. On the 30th General DE FAILLY, previously known by his easy victory at Mentana, was surprised and defeated at Mouzon. The following days were occupied with incessant fighting, in which the Germans steadily gained ground, while MACMAHON attempted too late to effect his retreat to Mezières. On the 1st of September a part of the French force was pressed back towards the Belgian frontier; the bulk of the army took refuge in Sedan; and MACMAHON himself was severely wounded. The German Artillery now occupied the heights which commanded the town, and on the 2d General WIMPFEN, who succeeded to the command of the army, was forced to capitulate. The EMPEROR himself had already surrendered in person to the King of PRUSSIA, who placed at his disposal the splendid palace of Wilhelmshöhe in Hesse Cassel, formerly occupied by King JEROME of Westphalia. The surrender of a Marshal of France with 100,000 men was a more unprecedented event than the capture of the EMPEROR. Less than two months had occurred since the declaration made through the Duc DE GRAMONT. On the 2d of August the war had commenced with the fantastic performance of Saarbrück, and on the 2d of September the only regular army in France which was not beleaguered had capitulated to a conqueror.

Count PALIKAO, in conformity with a French practice which has since been faithfully continued by his successors, had substituted for a true account of the events of the campaign a series of deliberate and encouraging fictions. The actions which ended with the retreat of BAZAINE into Metz were represented as brilliant French victories, and during the advance of MACMAHON the Legislative Body was assured that if the Ministers were to disclose the information they had received Paris would illuminate. The eager and boastful credulity of the

people lightened the mendacious labours of the Minister, until it became at last necessary to confess that a disaster had occurred, although Count PALIKAO, in his official statement, reduced the numbers of the army which had capitulated to 40,000 men. The presentiment which had induced him to impel MACMAHON to his hopeless adventure was realized without delay. On the 4th of September the Hall of the Legislative Body was invaded by a mob, headed by the National Guards on duty at the door. With the disregard of legal competence which belongs to the managers of French Revolutions, the ringleaders, in accord with the extreme section of the Legislative Body, proclaimed a Republic under a Provisional Government, consisting, with the exception of M. THIERS, who refused to accept office, of the Deputies for Paris. No resistance was offered; PALIKAO and his colleagues took to flight; and the EMPRESS, threatened by the rabble, plundered by her attendants, and deserted by her courtiers, with difficulty effected her escape to England by the aid of one or two American and English gentlemen. The most conspicuous among the civilians of the new Government were M. JULES FAVRE, M. GAMBETTA, and M. ROCHEFORT, who was now liberated from prison. General TROCHU, though he was known not to favour a Republican Government, was by general consent placed at the head of the Administration, and charged with the defence of Paris. The danger of a siege was imminent, for, with the exception of a column under General VINOY, which had been too late to join MACMAHON, there were no regular troops outside of Metz; and, within four or five days after the catastrophe of Sedan, the KING, with the army of the CROWN PRINCE, began an unopposed march upon Paris. Hasty measures had previously been taken for furnishing the city with provisions: the roads and railroads in the neigh-

bourhood were broken up, and all the scattered troops within reach were collected to assist in the defence, together with large detachments of Mobile Guards from the provinces, and with the able-bodied part of the city population. The members of the new Government at first persuaded themselves that no actual resistance would be necessary. Some vague phrases in one of the King of PRUSSIA'S proclamations were interpreted into a statement that he made war on the EMPEROR, and not on the nation. The EMPEROR, it was suggested, was now imprisoned and deposed; and the dominant Republicans, however zealously they might in former times have preached the doctrine of French aggrandizement, had recently extended their opposition against the EMPEROR to his warlike policy. It was commonly believed in Paris that the neutral Powers would offer their mediation; and the English Government would, in fact, willingly have promoted a pacification if it had not ascertained that any overtures for peace would be summarily rejected by the victorious Germans. M. THIERS undertook a roving commission to the different European capitals, commencing with London; but all his applications were rejected. Opinion in Germany was violently excited by success, and historical reminiscences combined with reasons of alleged military expediency to produce a loud and general demand for the cession of Alsace and Lorraine. It was, in truth, superfluous to take precautions for the safety of a nation which had so conclusively established its superiority over its adversary. The Provisional Government, or Committee of Defence, determined to remain in Paris, after despatching two of their number—M. CREMIEUX and M. GLAIS-BIZOIN—to establish a Delegate, or Supplementary Government at Tours. The communication of Paris with the rest of France ceased with the completion of the investment on

the 19th of September. A few days afterwards, through the friendly intervention of Lord GRANVILLE, M. JULES FAVRE obtained a pass to the Royal Head-Quarters at Ferrières for the purpose of attempting to negotiate an Armistice, and of sounding the North German CHANCELLOR on the possible conditions of peace. The Committee of Defence readily acknowledged the imperfection of its title, and Count BISMARCK professed himself anxious to facilitate the election of an Assembly which might represent the country. He insisted that the principle of a transfer of territory should be admitted, although he has never to the present time defined the extent of his demands ; and, on the other hand, M. FAVRE declared, with unseasonable eloquence, that while the Government would pay any pecuniary compensation in its power, it would never surrender an inch of the territory of France or a stone of her fortresses. It was found as impracticable to arrange the conditions of an Armistice as to agree on conditions of Peace. M. FAVRE peremptorily refused to surrender Strasburg and Toul, though both fortresses were on the eve of capitulation, and he rejected, with just indignation, a hint that one of the Parisian forts should be given up. According to the Prussian version of the interviews there would have been no objection to an alternative for the possession of Mont Valérien ; and both Strasburg and Toul capitulated within five days after M. FAVRE's return to Paris. The defence of Strasburg, though it was rather respectable than obstinate, had excited enthusiastic admiration in Paris and throughout France. During the remainder of the month the garrison of Paris engaged in some trifling skirmishes with the besieging troops, and BAZAINE made two or three vigorous but ineffective sorties from Metz. The early fall of Paris appeared inevitable, unless BAZAINE should succeed in coming to the rescue with his army.

The Red Republicans of Lyons and Marseilles scarcely recognized the authority of the Committee of Defence, and in Paris itself the same faction embarrassed General TROCHU and his colleagues by demanding, on pain of insurrection, premature action against the enemy. All the prospects of the war were changed by the arrival at Tours, on the 9th of October, of M. GAMBETTA, who had made his way out of Paris in a balloon. Only two or three years ago, as a young advocate, M. GAMBETTA had acquired sudden popularity by a violent attack on the EMPEROR in the course of a political trial. Entering the Legislative Body in 1869 as one of the members for Paris, he established an unexpected reputation for ability and judgment; and now he assumed without hesitation the civil and military government of France outside the walls of Paris. His Republican declamations and his audacious reports of fabulous victories probably suited the taste of his countrymen, though they provoked the ridicule of the Germans and the distrust of neutrals. His acts proved to be more creditable than his speeches, when, having quietly superseded his elderly and useless colleagues, he pushed on with indefatigable activity the formation of a new national army. On the 10th Orleans was taken after a succession of combats by the Bavarians under General VON DER TANN, but the German forces were not sufficiently numerous to advance further south as long as 170,000 men were detained around Metz. Later experience has shown that the chance of retrieving the fortunes of the war depended on the tenacity and fidelity of BAZAINE, but since the proclamation of the Republic in Paris the Marshal had been seized with the desire of acting a great political part instead of confining himself to his military duty. On the 21st of October General BOYER arrived at Versailles on a confidential mission from Marshal BAZAINE; and

about the same time General BOURBAKI conveyed a mysterious message from the Marshal to the EMPRESS, now residing in England. It afterwards transpired that BAZAINE had concerted with the Prussian Government a project of summoning the Senate and Legislative Body to meet in some town in the North of France, under the authority of the EMPRESS and the protection of his army, to establish a Regency on behalf of the PRINCE IMPERIAL, and to negotiate a Peace which would have been practically dictated by the CHANCELLOR of the CONFEDERACY. A more crazy plan, except as far as it would have suited the purpose of the Prussians and their allies, was never devised by a soldier mistaking himself for a statesman. The plot was defeated by the good sense of the EMPRESS, who refused to listen to the proposal; and immediately afterwards, on the 29th of October, the great fortress of Metz surrendered, with the three Marshals, BAZAINE, CANROBERT, and LEBŒUF, with the veteran General CHANGARNIER, who had gallantly offered his services to his country in her misfortune, with Generals in scores and officers in thousands, with 170,000 men, and all their weapons, stores, and materials. Of the magnificent army which had entered on the campaign less than three months before, nearly all the survivors were now prisoners in Germany; yet the resources of France under vigorous guidance were such that the presence of Prince FREDERICK CHARLES with the army which had invaded France was now urgently required in a distant part of the seat of war. If BAZAINE had prolonged the defence for another month, a relieving army, of which the existence had recently been doubted, would almost certainly have made its way to the neighbourhood of Paris. In the last days of October, at the earnest instance of the English Government, M. THIERS, who had returned from Petersburg, Vienna, and Florence, was received at Versailles after com-

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municating with M. GAMBETTA and with the Committee of Defence in Paris. Count BISMARCK again expressed his readiness to grant an Armistice for the convocation of a National Assembly, but the negotiation broke off on his refusal to allow Paris to be revictualled in the interval. An abortive insurrection attempted at the same time in Paris by FLOURENS and the extreme Republican faction afforded additional confidence to the Germans.

In the meantime GAMBETTA, who had never approved the Armistice or a General Election, had organized armies in formidable numbers, though of quality far inferior to that of the enemy, in various parts of France. Count KERATRY raised forces in Brittany; General BOURBAKI for a time commanded in the North; and GARIBALDI, whose feather-headed enthusiasm for the Republic had brought him to Tours, was associated with General CAMBRIEL in the Vosges. The main army, called the Army of the Loire, of 150,000 to 200,000 men, with 500 guns, was placed under General D'AURELLE DES PALADINES, a veteran of the Crimea, and a strict disciplinarian. On the 10th of November, at the approach of a greatly superior force, General VON DER TANN evacuated Orleans, and at the neighbouring village of Coulmiers D'AURELLE obtained over his reduced forces the first French victory of the war. VON DER TANN retired in good order, and the arrival of the Duke of MECKLENBURG with considerable reinforcements prevented D'AURELLE from pursuing his success; but tidings of a change of fortune which were soon made known in Paris produced a great effect on the courage and spirits of the French. Since the recapture of Orleans, neither a long succession of failures, nor the capitulation of Thionville, Phalsburg, and Montmédy, with the occupation of Rouen and Amiens and of Orleans itself, has destroyed their confidence in the possibility of

ultimate triumph. About the middle of November Prince FREDERICK CHARLES effected his junction with the Duke of MECKLENBURG, and assumed the chief command of the German Army of the Loire, while General MANTEUFFEL advanced as far as Amiens, to cover the besieging army round Paris from possible attempts to disturb its operations from the south-west. The expenditure of life during the campaign, and the necessity of having large detachments to guard the communications, had reduced the number of the German Army of the Loire to 90,000 men, now opposed to twice their number. D'AURELLE constructed large intrenchments in the forest north of Orleans, and after some feints of moving round the enemy's right wing, having as accurately as possible concerted his arrangements with General TROCHU, he attacked the German left on the 27th of November at Beaune-la-Rolande. The French regular troops, and especially the Pontifical Zouaves under General CHARETTE, made gallant efforts to open the road to Paris ; but the raw levies which formed the bulk of the French army were unable to resist the steady discipline of the Germans, and at the close of the day the French were utterly defeated. On the 29th, when D'AURELLE, if he had succeeded in his attempt, would have been within hearing of the guns of Paris, General TROCHU, under cover of a general fire from the forts, directed sorties against the German positions on the west and south-west of the city, and on the following day his second in command, General DUCROT, after an accidental delay, crossed the Marne to the east of Paris, with a force of infantry and artillery estimated at more than 50,000 men. In a series of desperate conflicts with the troops of Saxony and Würtemberg, extending over three days, the villages of Champigny, Brie, and Villiers were taken by the French and retaken by the Germans, and ultimately, on the 5th,

of December DUCROT recrossed the Marne, having inflicted heavy loss on the enemy, but having failed to make any impression on the German line of investment. The relieving army had in the meantime been driven still further from Paris by the recapture of Orleans on the 4th, after a German victory at Artenay on the 2d. A part of the French army retreated across the Loire, but the great mass dividing into two separate armies, commanded respectively, after the dismissal of D'AURELLE, by General BOURBAKI and General CHANZY, retreated to the south-east and south-west on the right bank of the river. While Prince FREDERICK CHARLES, lately promoted with his cousin the CROWN PRINCE to the rank of Marshal, followed BOURBAKI towards Bourget and Nevers, the Duke of MECKLENBURG, in a series of engagements from the 10th to the 14th of December, slowly compelled General CHANZY to retire from a series of strong positions in the neighbourhood of Marchenoir. The movements of the Germans on both sides of the Loire now compelled the Delegation to remove their seat of Government to Bordeaux, and General CHANZY, no longer embarrassed by the duty of protecting Tours, moved westward, perhaps with the purpose of drawing reinforcements from Brittany. As late as the 20th of December there was no German force in the direct line between General CHANZY and Paris, but the Duke of MECKLENBURG was strong enough to continue his advance on Tours, joining hands with a part of the PRINCE-MARSHAL's army, which continued to move along the right bank of the Loire. Tours itself ultimately surrendered, but it has not hitherto been permanently occupied by the Germans. General MANTEUFFEL about the same time defeated General FAIDHERBE in some combats of secondary importance, and about the 6th of December a detachment of his forces reached the sea coast at Dieppe. In the east General

WERDER defeated a considerable body of troops at Nuits, near Dijon ; and at all points the vast outer circle which covered the siege of Paris remained impenetrable to the persevering attacks of the French ; yet, after five months of war, the French armies were, through the energy of GAMBETTA, numerically stronger than when the EMPEROR advanced, at the beginning of August, from Metz to Saarbrück. Immediately before Christmas General FAIDHERBE fought a battle with MANTEUFFEL, in which both sides claimed the victory ; and Dijon was evacuated by the German forces and occupied by GARIBALDI.

The collateral evils and dangers arising from the war must have convinced the most obstinate believers in a policy of isolation how universally the security of Europe is affected by a conflict between two of its greatest Powers. The general sympathy of England with a just cause failed to conciliate the goodwill of the Prussian Government or of the German army and nation. During the Crimean War arms and munitions of war had been freely exported from Prussia to Russia ; and recently rifled cannon and ammunition have been furnished to the French in enormous quantities, not only by private American traders, but by the War Department at Washington. The North German Government has expressly forbidden its Consul at New York to interfere with the traffic in arms, and the relations of the Confederation with the United States are friendly and even intimate ; yet a comparatively insignificant exportation of arms from England to France has served as a pretext for repeated protests. In his first complaint on the subject Count BERNSTORFF, conscious of the legal weakness of his case, invented a new doctrine of benevolent neutrality which ought, as he contended, to have been observed by England. Lord GRANVILLE, in a despatch equally courteous and

conclusive, showed, with little difficulty, that as benevolence to one belligerent could only be exercised at the expense of the other, Count BERNSTORFF's proposed rule for the conduct of neutrals involved a contradiction in terms ; yet the complaint was repeated in stronger language, although the new paradox was retracted ; and it was difficult to avoid a suspicion that Count BISMARCK had some political reason for displaying coldness to England. The conjecture seemed to be confirmed when, in the middle of November, the Russian Government suddenly issued a Circular audaciously repudiating a principal clause in the Paris Treaty of 1856. The prohibition of the maintenance of a Russian fleet and arsenal in the Black Sea was the price of the discontinuance of the war and the logical expression of its results. The denunciation of the treaty was mischievous, inasmuch as it renewed the danger of Russian aggression on Turkey ; but a graver objection was founded on the blows which the Russian declaration inflicted on the faith of treaties. Prince GORTCHAKOFF's haughty announcement of the EMPEROR's intention to respect the remaining provisions of the treaty implicitly claimed for one party to a contract the right of distinguishing between the more or less onerous covenants by which he was bound. In a forcible despatch Lord GRANVILLE protested, on behalf of his Government, against the Russian claim, reserving the right of opposing any attempt to carry the doctrines of the Circular into effect. A second exchange of despatches left the controversy where it stood ; and Lord GRANVILLE's arguments were urged on Russia, with various degrees of force, by Austria, Turkey, and Italy. Mr. ODO RUSSELL was sent to the KING's Head-Quarters at Versailles to ascertain, if possible, whether the North German Government had been privy to the offensive menace of Russia. The

Circular had been issued when it might have been thought that the war was practically ended by the imminent or actual surrender of Metz. The publication of the document while the German armies still lay outside the walls of Paris was inopportune and unwelcome. The immediate risk of collision was adjourned by the general adoption of Count BISMARCK's proposal of a Conference. Russia has already obtained a partial triumph by the virtual admission that a plain cause in a treaty is a proper subject for discussion ; but a Conference may probably find some alternative mode of protecting Turkey against Russian aggression. More recently a second shock to the faith of treaties seemed to be given by Count BISMARCK's declaration that Luxemburg had forfeited the neutrality which was guaranteed by the Great Powers as lately as 1867 ; but his language admits of an interpretation by which it would convey a menace, not of political interference, but of military reprisals. Prince GORTCHAKOFF's first Circular had been accompanied by a note, in which he assured Lord GRANVILLE of the EMPEROR's anxiety to maintain friendly relations and to co-operate with England in dealing with the Eastern question. There is reason to believe that some time earlier M. CATACAZY, Russian Minister at Washington, had sounded the Secretary of State in a proposal for pressing the Alabama claims as a diversion for the embarrassment of the English Government. The overture was not encouraged by Mr. FISH ; but the PRESIDENT, who has gradually lost ground with the Republican party, appears to have seen in the Russian suggestion a means of reviving his popularity. The Russian Government has taken some trouble to give publicity to the fact that General GRANT had written a private letter to the EMPEROR on the subject of a possible junction of the American and Russian fleets in a war with England. The

story may possibly be a fiction, but the PRESIDENT'S conduct has in all respects conformed to the proposal of the Russian Minister. Closely following in the steps of the notorious General BUTLER, who has lately delivered a series of inflammatory speeches against England, General GRANT, in his late Message to Congress, insists on the unconditional payment of the Alabama claims, on a modification of the law and practice of the Canadian fisheries, on the concession to the United States of the navigation of the St. Lawrence, and even on a frivolous and ridiculous rectification to an imperceptible extent of the North-Western frontier. As the Republican papers unanimously approved General GRANT'S litigious manifesto, there is reason to hope that his domestic object may be attained without a war against England. Constantly advancing in prosperity and with the power and purpose of accelerating their progress by the abandonment of an absurd commercial system, the people of the United States show no present inclination to waste their substance in wanton and unprovoked wars. The Census of the present year will probably show that the population of the States amounts to 38,000,000, and neither turbulence nor self-assertion is required to make the United States within a short period the most powerful nation in the world.

While France rushed into war with Germany in resentment of the HOHENZOLLERN nomination, Spain, like a traveller who has carelessly set an avalanche in motion, pursued her own course without regard to the distant ruin. After an interval, Marshal PRIM, returning to his first plan, entered into negotiations with Italy for the acceptance of the Crown of Spain by Prince AMADEUS, second son of VICTOR EMMANUEL. When the same offer was formerly made, the influence of the Emperor NAPOLEON weighed heavily both in Spain and in

Italy, and a plausible objection was raised to the choice of a King of Spain, who was at the time heir presumptive of Italy. The family difficulty has been removed by the birth of a son to Prince UMBERTO; and the KING took a lively interest in the elevation of his younger son. On the 16th of November; in spite of angry opposition by the Republicans, the Cortes elected the Duke of AOSTA King by the votes of a considerable majority of the whole number of members. A deputation of the Cortes, headed by the President, was received with stately hospitality at Florence, and King AMADEUS will probably enter Madrid to-morrow. The lawless violence which has too often disgraced Spanish political factions has been renewed by an attempt on the life of Marshal PRIM; but all sections of the Liberal party are rallying round the Government, and Admiral TOPETE, hitherto the strenuous supporter of the Duke of MONTPENSIER, has resumed his place in the Cabinet. The most remarkable circumstance in the annexation of Rome and its territory to the Kingdom of Italy is the languid indifference with which the transfer has been regarded by Catholic Christendom. A change which would once have convulsed the world has failed to divert attention from the more absorbing spectacle of the French and German War. Within the same year the Papacy has assumed the highest spiritual exaltation to which it could aspire, and it has lost the temporal sovereignty which it had held for a thousand years. An assemblage of the prelates of the Latin Communion, calling itself an Œcumenical Council, commenced at the beginning of the year the discussions which by previous arrangement were to issue in proclaiming the infallibility of the POPE. In the absence of more important events the debates in St. Peter's attracted some external notice by the spirited opposition of an intelligent minority to the novel demands of the

POPE. The ablest English and American Bishops, a section of the French Episcopacy, headed by the Archbishop of PARIS and the Bishop of ORLEANS, the most learned Bishops of Germany and Austria, and the collective hierarchy of Hungary, endeavoured to demonstrate the untenability of an impossible proposition which happened to be directly contradicted by history as well as by reason; but the POPE² had anticipated opposition by largely adding to the number of prelates governing imaginary sees; and the crowd of subservient Italian Bishops outnumbered the ecclesiastical representatives of the centres of civilization. After much useless controversy, the doctrine of Infallibility was proclaimed a few days after the French Declaration of War. Many of the dissidents have since publicly acquiesced in the decision of the Council, and the dogma is now definitively added to the burden which appears to be borne without difficulty by the faithful. In his wordly affairs PIUS IX. has been less fortunate. At the beginning of the war the Italian Government facilitated the withdrawal of the French garrison from Rome by renewing the September Convention for the protection of the Papal territories from invasion. The subsequent collapse of the military power of France and the overthrow of the Empire stimulated a formidable agitation in Italy for the acquisition of Rome. Shrinking from a conflict with the Party of Movement, which would have borne the character of a civil war, and expressly or virtually released by the new French Government from engagements contracted with the EMPEROR, Signor LANZA and his colleagues induced the KING to order the occupation of Rome on the transparent pretext of protecting the POPE against revolutionary attacks. On the 12th of September the Italian Government announced the intention of entering the Roman States, and on the 20th a considerable Italian army appeared before the gates of

Rome. The POPE, with laudable prudence and humanity, directed his troops to make only a formal resistance ; and after the ceremony of a popular vote, or *Plébiscite*, the Roman State was publicly declared to have become a part of the Kingdom of Italy. A new Parliament, elected after a dissolution, has since confirmed the annexation, and voted that the seat of Government shall be transferred to Rome. The POPE still occupies the so-called Leonine City, on the right bank of the Tiber, including the Palace of the Vatican, the Castle of St. Angelo, and the Church of St. Peter. To the offers by the Italian Government of sovereign rank, of a large income, and of the maintenance of the religious establishments of Rome he has replied by refusal of intercourse, by indignant diplomatic protests, and by a sentence of the major excommunication, in which, however, the KING is not mentioned by name. It was not to be expected that the POPE should acquiesce in his own dethronement, in regard of any compensation which could be offered ; but unless great political changes occur, there appears to be little prospect of his restoration. To his application for aid Austria has replied by a courteous refusal, and Spain has accepted a King from the family of the POPE's sacrilegious oppressor. Italy is herself the wrongdoer against whom he invokes assistance, and France will, after the conclusion of the war, scarcely be at leisure to engage in war with Italy for an object in which she has no political interest.

While the mutual relations of civilized States have been elsewhere strained or broken, events have occurred in the East which tend to show their common interest in the repression of barbarism. The nuns of a French convent at Tien-tsin and other French subjects, including the Consul, were murdered with circumstances of great barbarity by the Chinese rabble, at the instigation of some

Mandarins of rank. The local authorities have since been collecting troops and displaying hostility to the foreign settlers, and the European and American residents have only obtained the execution of a few obscure persons, of whom the majority were innocent of the outrage. The residents were previously well aware that the Chinese animosity to intruders had not abated, and that Mr. BURLINGHAME's embassy had been an elaborate deception. The best security against another Chinese war will be found in a resolute policy, supported by a suitable exhibition of force. Five-sixths of the foreign commerce of China is carried on by English merchants ; and in that part of the world the other European traders and the Americans themselves act in harmony with their English neighbours. There has, happily, been no serious demand on the military or naval forces of England in any other part of the world. A Canadian force, including a contingent from the Imperial army, reached the Red River Territory without resistance ; and the petty and obscure insurrection in that district was suppressed without further trouble. At a later period the Canadians themselves dispersed a piratical body of invaders, who had been allowed by the American authorities to assemble for purposes of hostility on the border. The ring-leaders, after a singular display of cowardice and incapacity, were imprisoned for a breach of American law, and shortly afterwards released by the significant clemency of the PRESIDENT. The other colonies and India have enjoyed perfect tranquillity, and public equanimity has only been disturbed by one grave disaster. On the 12th of September the Captain foundered in a moderate gale off Cape Finisterre. The vessel was probably the most formidable war-ship which has ever been built, and her designer, Captain COLES, in his enthusiasm for his own invention, had neglected

the danger of instability under canvass. Her commander, Captain BURGOYNE, Captain COLES, and five hundred gallant officers and men were lost with the ship. No catastrophe has at any time occasioned a greater shock to public feeling.

The interest caused by foreign affairs has been so overwhelming that it has required an effort to remember how the great legislative measures of the year are awaiting a trial of their results. The recent election of School Boards has opportunely recalled attention to one domestic question. For the first time since the beginning of the war there has been a revival of social and political activity in many parts of the kingdom, and especially in London. The novel power of intrusting to a single elected body the task of organizing primary education for the whole metropolis has been attended with preliminary success. The adoption of the cumulative vote has secured to all the principal sections of opinion representation on the Board ; and the personal qualifications of many of the successful candidates are highly respectable. The large towns have, with few exceptions, adopted the provisions of the Act by the election of School Boards ; but in rural districts education will probably, for the present, be chiefly provided by voluntary effort. The advocates of secular education have been almost everywhere defeated at the polls by the members of religious denominations. Notwithstanding the prohibition of the use of catechisms and formularies, Churchmen agree with Dissenters in the expediency of inculcating Christian doctrine, and their united numbers have proved sufficient to overbear all resistance. The triumph of two out of three female candidates in London, while it illustrates the electioneering aptitude of the sex, will furnish a safe and convenient opportunity of testing the administrative capacity of women. The duties of the School Boards will

be heavy during the period of organization ; but hereafter their attention will be mainly occupied with matters of detail, and with the important function of selecting competent masters. The election of Lord LAWRENCE as Chairman of the London School Board has given general satisfaction.

Three Frenchmen of eminence in widely different branches of literature have died within the year. ALEXANDRE DUMAS, who lived to see the downfall of the Empire, though his powers inspired wonder rather than respect, had no superior, or equal, in fertility of romantic invention. Not wise, or witty, or instructive, he had the most inexhaustible faculty of devising wonderful and amusing incidents. From the days of the League to the Revolution his works form a continuously marvellous history of France, bearing the same kind of relation to the real course of events which exists between a bird's eye view and an accurate map. His fictions have generally a certain proportion to the truth, although they are always exaggerations. The more logical and businesslike intellect of PREVOST PARADOL gave way under the pressure of political anxiety and personal vexation. Heartily devoted to the cause of liberty and order, he had constantly assailed the Imperial system with that covert sarcasm and polished irony which result from the necessity of disguising invective and satire. When the EMPEROR professedly conformed to a constitutional system, PREVOST PARADOL accepted the post of French Minister at Washington ; but the disapproval of his friends, justified by the Imperial juggle of the *Plébiscite*, and followed by the rupture with Prussia, disturbed a sensitive mind till it lost its balance, and took refuge in voluntary death. M. DE MONTALEMBERT, a not less resolute, if less consistent opponent of the Empire, was fortunate in not living to witness the misfortunes of his country, though his loyalty to another kind of

Government received a heavy blow. One of the most eloquent of Frenchmen in speech and writing, he had devoted his genius to the defence of the Roman Catholic Church, and to the hopeless enterprise of reconciling ecclesiastical claims with modern liberty. The extravagant pretension of the POPE to infallibility excited his conscientious repugnance, and, consequently, the PONTIFF, to whose cause he had sacrificed so much, uttered a heartless insult over his grave. The devotion of intellectual power to the defence of a system which defies the intellect was appropriately, but ungenerously avenged. An English novelist as popular and as voluminous as DUMAS has been generally regretted. Deficient in faculty of construction, and rarely careful to reproduce real characters, DICKENS has never been excelled in the gift of grotesque and typical caricature. His elaborate pathos pleased the enormously numerous circle of readers whom he addressed by preference, but his humour, more especially while it was associated with the exuberant animal spirits of youth, was a quality far more highly appreciated by literary judges. His power of minute description, derived from habitually accurate observation of outward objects, was conspicuous even in his later works. Few writers have had the good fortune to obtain equally early and universal recognition. In Lord CLARENDON the country lost an accomplished and patriotic statesman, whose experience and character had merited and acquired the highest authority in Europe. From his first diplomatic employment under Lord PALMERSTON, as Minister at Madrid, to the time of his death, Lord CLARENDON had been familiar with all the open and secret diplomacy of Europe. He was an unusually skilful linguist, a brilliant member of society, a most industrious public servant ; and he never provoked enmity by negligence or by irritability. His place has been thus far well filled by Lord GRAN-

VILLE, whose qualifications resemble, in many respects, those of his predecessor. Lord GRANVILLE's communications to Prussia and France at the outbreak of the war—to Prussia in answer to Count BERNSTORFF's remonstrances, and to Russia after the repudiation of the Paris Treaty—are all remarkable specimens of the best style of diplomatic composition. In addition to Lord CLARENDON, Mr. BRIGHT has ceased to belong to the Government, though he, happily, still survives. After a year's absence from Parliament and from his office, he has properly declined any longer to retain his place in the Cabinet. His countrymen of all parties hope that his temporary or permanent retirement from office will not be the end of his political career.

Although it is impossible to foresee the duration or the ultimate consequences of the war in France, one of its great political results has been achieved by the elevation of the King of PRUSSIA to the rank of German Emperor. The title, which was first conferred by military acclamation on victorious Generals, seems still to retain its early Roman significance, although in the course of ages it has acquired a political and historical meaning. The pre-eminence which Prussia has attained in Germany is not unfitly represented by the dignity which, down to the beginning of the present century, was recognized as supreme even by the independent Princes of the Empire. The Imperial title, though it has been earned on fields of battle corresponds to the necessities and aspirations of the German nation. The North German Confederacy had evidently fulfilled its purpose when the armies of Bavaria, of Würtemberg, of Baden, and of Hesse Cassel had marched to conquest under the command of the King of PRUSSIA. In the course of the autumn negotiations were instituted for the extension of the Confederacy to the Southern States,

and an arrangement, including the reservation of certain sovereign rights to Bavaria and Würtemberg, was finally accepted by the North German Parliament. On the suggestion of the Grand Duke of BADEN, the King of BAVARIA proposed to the other German Princes that the King of PRUSSIA should be invited to assume the title of Emperor ; and the North German Parliament despatched a deputation to Versailles to express its assent to the acceptance of the offer. The Imperial Constitution provides for a Council of Princes, in which Prussia will have less than a third of the whole number of votes. In the Parliament, which will be elected by a wide suffrage, the representation of every State will be proportionate to its population. The establishment of so great and novel a State in the centre of Europe would of itself have sufficed to render the year 1870 one of the most eventful in history.

1871.

It already requires an effort of memory to contrast the profound peace of the year which closes to morrow with its stormy commencement. In the first days of 1871, war was still raging in many provinces of France, although the result of the contest had long since been irrevocably determined. From the head-quarters of the King of PRUSSIA at Versailles Count MOLTKE superintended the siege of Paris, and, at the same time, directed the armies which on all sides were crushing the final resistance of the French commanders. The investment itself was constantly drawing closer, although the German commanders relied on famine to compel the final surrender. On the last day of 1870 the besieging army had taken Mont Avron, and the subsequent bombardment of the Southern and Eastern Forts was scarcely interrupted by a series of unsuccessful

sorties. The last effort of the garrison failed in the middle of January, and immediately afterwards the Government of Defence made overtures for capitulation. It was not only in Paris that the French cause had become utterly hopeless. General FAIDHERBE, indeed, commanding in the North-Western Departments, obtained a slight advantage in a combat at Bapaume, but he was soon after defeated by General GOEBEN, while MANTEUFFEL, who had been previously opposed to FAIDHERBE, was marching into Burgundy to reinforce WERDER against the superior force of BOURBAKI. The French Army of the Loire had some time previously divided itself into two independent forces, respectively commanded by General BOURBAKI and General CHANZY. At the beginning of January Prince FREDERICK CHARLES, who had previously pressed CHANZY westward to Le Mans, advanced from Vendôme, while the Duke of MECKLENBURG supported his movement from Nogent-le-Rotrou. On the 11th, after a series of engagements on the previous days, CHANZY'S raw levies were defeated in front of Le Mans with an enormous loss of prisoners, and the German Army occupied the town. Although CHANZY himself retreated with the remainder of his force, the struggle which he had maintained with singular obstinacy had now evidently reached its final term. The only considerable French army now remaining in the field was marching north-eastward, under General BOURBAKI, in the hope of overwhelming General WERDER, who was posted at Vesoul for the purpose of covering the siege of Belfort. The attempt might, perhaps, not have been hopeless if the troops on both sides had been of equal quality; but BOURBAKI, who had more than once avowed his own unfitness for supreme command, was at the head of an ill-equipped army, already dispirited by a long succession of misfortunes. He was baffled in his

first attack on WERDER, and the advance of MANTEUFFEL from the north rendered his own position untenable. The war was already over in the rest of France when the final disaster of the campaign occurred. The armies operating in the neighbourhood of Belfort were excepted from the armistice which ensued on the capitulation of Paris, and at the beginning of February the army of BOURBAKI, to the number of 80,000 men, crossed the frontier of Switzerland in a condition so pitiable as to recall the Retreat from Moscow, while the General, in despair, attempted to commit suicide. The fugitive troops were disarmed by the Swiss Militia, and, with the exception of the disorganized remnants commanded by CHANZY and FAIDHERBE, and of two or three remaining garrisons, there was no longer a French army in existence. After a final sortie, on the 17th of January, M. JULES FAVRE had applied for a safe conduct to Versailles, and Count BISMARCK, refusing to recognize him as a Minister, referred him to the military authorities, who allowed him to pass the outposts. On the 28th, M. FAVRE signed the Capitulation of Paris, including a general suspension of arms, except on the Swiss frontier. The forts were to be occupied by the German troops, who were also to be allowed to enter Paris, and the arms of the garrison were to be surrendered with an untoward exception. Notwithstanding Count BISMARCK's prudent warning, M. JULES FAVRE stipulated that the National Guard should retain their arms, for the professed purpose of maintaining order. The definite conclusion of peace was referred to an Assembly to be immediately convoked at Bordeaux, with sovereign powers, which had never been recognized by the Germans as belonging to the Government of National Defence. GAMBETTA, who had for some months exercised dictatorial power outside the walls of Paris, at first attempted to repudiate the

capitulation and to prolong the war. Finding himself unsupported, he issued a decree which purported to disqualify for a place in the Assembly any person who had held office under the Empire ; but the Paris Government, at the instance of Count BISMARCK, reversed the decree of exclusion, and, on the arrival of some of its members at Bordeaux, GAMBETTA resigned his office.

The Elections throughout France, not excepting the departments occupied by the German army, were held in the first week of February ; and on the 12th the Assembly met at Bordeaux. A large majority belonged to the Legitimist and Orleanist parties, though the great towns returned extreme Republicans ; and it was remarked that, since the convocation of the Estates General in 1789, no French Legislative Body had included so many men of rank and fortune. The two great Democratic sections of the community were, for the time, discredited by the public disasters ; for the war, which had been wantonly commenced by the EMPEROR, might be considered as having ended at Sedan, and the subsequent defeats and sufferings were attributed to the unseasonable revolution of Paris and to the persistence of GAMBETTA. Much discussion has since arisen on the nature of the commission which was intrusted to the Assembly, but that body undeniably complied with the immediate intentions of electors by devoting itself, without loss of time, to the conclusion of peace. Its first measure was to supersede the Government of National Defence by a Chief of the Executive Power, and, with universal assent, the most eminent of living Frenchmen was selected for the office. M. THIERS, indeed, was not only superior to any possible competitor, but, in the absence of any other prominent statesman and of any successful soldier, he might be said to stand alone. At the age of seventy-three his patriotic energy had

recently induced him to make the circuit of Europe, in the vain hope of inducing England, Russia, Austria, or Italy to come to the aid of France. It was reasonably assumed that M. THIERS would negotiate with higher authority than any other representative of France, and, perhaps, there may have been a faint hope that he would succeed in abating some of the hard conditions which would be imposed by the conqueror. The Chief of the Executive Power immediately appointed a Ministry, in which M. JULES FAVRE, notwithstanding his recent diplomatic misadventures, retained the conduct of Foreign Affairs; and M. THIERS associated with himself a Council of the Assembly, that it might share the responsibility of an unpalatable peace. He foresaw that his share in the negotiation would be confined to the acceptance of Count BISMARCK's terms; but he was, perhaps, painfully surprised by the sacrifices to which, nevertheless, he wisely gave immediate assent. By the Preliminaries of Peace, which were signed at Versailles on the 26th of February, the province of Alsace, with the exception of Belfort and its environs, and Metz, with the part of German Lorraine which lay between the fortress and the former frontier, were ceded by France to Germany. In the previous September, when M. JULES FAVRE refused to surrender an inch of land or a stone of any fortress, the Germans would have been satisfied with the recovery of Strasburg. The result of four months' prosecution of the war was the loss of all the territory which had been wrested from Germany by force or by fraud by HENRY II., LOUIS XIV., and LOUIS XV. In the same interview M. FAVRE had offered any compensation in money which could be provided from the resources of France, and Count BISMARCK now estimated the amount at five milliards of francs, or £200,000,000, to be paid by instalments ranging over three years.

As security for the debt the German army was to occupy, at the expense of France, the greater part of the territory which it had overrun, but the departments were to be successively evacuated, in a specified order, as the instalments were paid. The terms of peace might well be deemed almost intolerably hard, but the alternative of a continuance of the war was simply impossible. M. THIERS, with the concurrence of the Committee, provisionally accepted the preliminaries, and the Bordeaux Assembly immediately approved them by a majority of five to one. On the 1st of March thirty thousand German troops celebrated the triumph of their arms by marching down the Champs Elysées and bivouacking in the Place de la Concorde and the gardens of the Tuileries ; yet their occupation of Paris was only nominal and formal, inasmuch as they were restricted to the spaces they occupied, while the inhabitants refused to hold communication with the foreign invaders. Having gratified the army by a visible proof of victory, the German commanders withdrew their troops, not unwilling, perhaps, to prevent the risk of a collision. A few days before the capitulation of Paris, Versailles had been the scene of a great historical transaction, which was the more significant because it was performed in the palace of a vanquished enemy. The national unity which had excited by anticipation the jealous hostility of France was effected by the declaration of war and ratified by the common labours and successes of a victorious campaign. The Confederation of the North, which had from the first been a provisional arrangement, was henceforth merged in a Union which included all Germans outside the Austrian dominions ; and the Imperial rank seemed to represent the leadership of the King of PRUSSIA more fitly than the previous title of President of the Confederation. It would have been absurd to revive

the obsolete fabric of the Holy Roman Empire, and the ancient title of King of Germany, though it had been borne by the elected Emperors from the earliest times down to 1804, might, perhaps, have seemed to clash with the rights of the minor Kings of Bavaria, Saxony, and Würtemberg. The King of BAVARIA was induced to propose, in the name of all the German Princes, that the King of PRUSSIA should adopt, for himself and his successors, the title of Emperor in Germany ; and on the 17th of January, in a solemn assemblage at Versailles, the offer was formally accepted. The Constitution of the North German Confederation was with little change extended to the new German Empire. The Sovereigns who still retain their former rank are represented in the Federal Council, and the power of legislation is vested in a Diet elected by universal suffrage. The command of the whole Imperial Army belongs to the EMPEROR in time of war ; but during peace the Governments of Bavaria and of one or two other principal States retain the control of their own military institutions, on condition of conforming to the uniform organization of the German army. Shortly after the ratification of the treaty the EMPEROR and the Princes returned to Germany, and the French Government and Assembly occupied their vacant quarters at Versailles.

The first risk which threatened Paris at the conclusion of the siege had been averted by the prompt exercise of English liberality. A large subscription was collected in London for the relief of the urgent wants of a population which had been compelled to surrender by imminent famine, and vast trains of provisions were, with the consent of the German commanders, forwarded through their lines even before the signature of the Preliminaries of Peace. On the restoration of intercourse with the outer world it might have been supposed that all parties

would agree to postpone their differences, and to engage in the arduous task of repairing as far as possible the public misfortunes ; but the termination of the war was immediately followed by the most surprising episode in the startling and melodramatic history of modern France. The Government of National Defence, when it negotiated the capitulation, had with a kind of infatuation stipulated for the retention of arms by the National Guard, although the most formidable section of the force had in the midst of the siege mutinied against General TROCHU and his colleagues under the ill-omened flag of the Commune. The attempted insurrection was at the time suppressed, but FLOURENS and the other ringleaders had never withdrawn their pretensions, and the return of the respectable classes to their ordinary pursuits, coinciding with the disarmament of the regular troops, gave the rebels the opportunity of accomplishing their designs. Revolutionary factions in France have no greater respect for universal suffrage than for any other basis of authority, and the representatives of the capital in the Assembly were, with few exceptions, extreme Republicans and professed advocates of the continuance of the war. The Southern and Eastern Forts were, under the terms of the Preliminary Treaty, evacuated by the Germans and occupied by troops which the Government brought up with all possible speed from the provinces. D'AURELLE DES PALADINES, a strict disciplinarian, was appointed to the command of the National Guard ; but his authority was disregarded by the battalions composed of the working classes, who had collected the artillery of the National Guard on the heights of Montmartre, on the pretext of saving it from the Germans. After a fortnight spent in negotiation with the malcontents, a detachment of regular troops was, on the 18th of March, ordered to take possession of the guns. In

the first instance no resistance was offered, but the officer in command had culpably neglected to provide horses for the removal of the guns, and gradually a body of National Guards assembled to resist the further progress of the operation. On receiving the order to fire the troops of the Line deserted to the insurgents, and the Government hastily retreated to Versailles. General LECOMTE and General CLEMENT THOMAS were discovered by the armed rabble, and, after a mock trial, they were brutally murdered. Uncertain of the fidelity of the army, the Government was for the time reduced to inaction, and the whole of the capital passed into the possession of the insurgents. The share in the movement of the different revolutionary factions and leaders has never been clearly defined. The moment of the outbreak was, perhaps, determined by accident, and the insurrectionary Government was administered by a shifting and uncertain body, which represented three or four separate organizations. At first the most prominent ring-leaders were a fanatical Jacobin and a well-known member of the International Association, which has its head-quarters in London. GUSTAVE FLOURENS had, a year before, on the occasion of the funeral of VICTOR NOIR, attempted to raise the mob of Paris in a hopeless insurrection against the Imperial Government; and he was the leader of the National Guards who during the siege seized the Hôtel de Ville and arrested some of the members of the Committee of Defence. Within a fortnight after the occupation of Paris by the rebels, FLOURENS, heading a tumultuous expedition to Versailles, was taken prisoner, and immediately shot. ASSI, who was rather a social than a political revolutionist, had in the previous year directed the strike of the miners at Creuzot, and the Society to which he belonged notoriously aimed at the destruction of property and of the existing system of society.

Having some time afterwards provoked the jealousy of his colleagues, Assi was deposed and imprisoned, but his faction co-operated throughout with the other insurgent parties. It was, perhaps, by an afterthought that the rebels, astonished at the success of their enterprise, proclaimed themselves the champions of the Municipal Independence not only of Paris, but of every town in France. The Commune of 1794 had, under the infamous guidance of HEBERT and CHAUMETTE, contested for a time the supremacy of the Convention; and the title could not fail to rally round the insurgent flag the lowest and most lawless rabble of Paris. The middle classes and the friends of order abstained from taking part in the election of a Municipal Council, which assumed the name of the Commune. A Committee of the National Guard, affecting to derive its authority from military election, and a self-elected Committee of Public Safety divided the functions of Government with the Municipality. Similar revolutionary attempts at Lyons and Versailles were defeated, and it soon became evident that the cause of the Parisian insurgents was hopeless; but their leaders vigorously repressed all opposition within the city, and the notorious adventurer, CLUSERET, having been appointed Minister of War, organized a formidable system of defence. M. THIERS had with sound judgment abstained from premature operations against Paris until a competent force could be formed of released prisoners of war returning from Germany. Early in April Marshal MACMAHON, now Commander-in-Chief, retook the bridge of Neuilly; but the Chief of the Government was anxious to spare, if possible, the effusion of blood, and the final advance on Paris was still delayed for several weeks. CLUSERET, after appointing DOMBROWSKI, a Polish soldier of fortune, to command the army of the Commune, was superseded by ROSSEL, a gallant but wrong-headed

young officer, who had persuaded himself that the regular Government had forfeited its claim to his services by making terms with the invader. After a few days' tenure of his post ROSSEL was in turn dismissed and imprisoned, and during the last days of the Commune there was no permanent or recognized Minister of War. On the 20th of May the Versailles army was close to the walls of Paris, and on the 21st the troops entered the city, without serious opposition, by the gate of St. Cloud. There was afterwards sharp fighting round the Tuileries and at Montmartre, but the victory rested with the Government. It is impossible to ascertain with accuracy the various motives and doctrines which animated the different parties to the insurrection. The rank and file of the mutinous National Guards were perhaps chiefly influenced by the fear of losing the daily pay on which they had subsisted in unaccustomed idleness and comparative comfort during the siege. Many of the insurgents, who had learnt from the teaching of LOUIS BLANC, of VICTOR HUGO, and of other popular writers, to deify ROBESPIERRE and his murderous associates, hoped to take their part in a mimic Reign of Terror; and the great mass of the workmen was deeply imbued with the Communist theory and with bitter hostility to the middle classes. A few dreamers may have accepted in earnest the absurd pretext of Municipal Independence, but of all revolutionary movements which have disorganized France, the Paris insurrection was the most anarchical. In the judicial proceedings which followed nearly all the accused persons disclaimed responsibility, and attempted to prove that they had acted under compulsion. Of the chief criminals the greater number either perished in the final struggle or contrived to effect their escape. The necessity of defence had, fortunately, occupied the attention of the leaders, and prevented them, during

their short possession of power, from exemplifying their doctrines in practice ; but at an early period of the struggle they gave an earnest of their modes of action by seizing the Archbishop of PARIS, the PRESIDENT of the COURT of CASSATION, and a large number of priests and respectable laymen, as hostages for the security of themselves and their accomplices. When the chance of resistance was at an end, the doctrines of the Commune and the passions of the rabble were at last relieved from temporary restraint. While the troops were entering Paris, the insurgents avenged themselves by burning the Tuileries, the Hotel de Ville, and other buildings of less historical and architectural value. The Louvre, with its inestimable treasures, was with difficulty saved ; but even the incendiary fires were for the moment almost forgotten in the contemplation of a more atrocious crime. Monseigneur DARBOY, Archbishop of PARIS, a prelate of blameless character and tolerant disposition ; the Curé of the Madeleine, the Chief Judge of the Supreme Court of France, and between fifty and sixty of their helpless companions, were murdered in cold blood by order of the Commune. Any doubt which might have been entertained whether the massacre was casual and unauthorized would be removed by a Resolution in which the Council of the International Society, sitting in London, and including many English members, formally approved the murder of the hostages. On the 26th of May, the very day on which the great crime was committed, the army occupied the whole of Paris, but the Assembly and the Government have continued to reside at Versailles. The definitive Treaty of Peace was signed by the Government, and ratified by the Assembly a few days before the re-occupation of Paris. In the month of June M. POUYER-QUERTIER, Minister of Finance, obtained the sanction of the Assembly to the issue of a loan of £80,000,000 ; and the Govern-

ment was consequently enabled, on payment of three instalments of the German debt, to procure the evacuation of the Paris forts which were still occupied, and of a considerable portion of territory. After the adjournment of the Assembly, in September, M. THIERS made an arrangement to the satisfaction of the German Government for securing the payment of a fourth half-milliard in the ensuing spring. The foreign Army of Occupation now holds only six of the eastern departments, but, in default of the promised payment, it would be entitled to re-occupy a portion of the evacuated territory. Before the Assembly separated a compromise was effected by which M. THIERS exchanged the title of Chief of the Executive Power for that of "President of the French Republic." His tenure of office was made conterminous with the duration of the Assembly, which, with the assent of the Government, declared itself in possession of constituent power. The provisional Republic is still maintained, though one or both of the Monarchical parties from time to time display impatience. The Comte DE CHAMBORD, visiting France for the first time since his boyhood, issued, to the dismay of his more rational adherents, a strange proclamation, in which he declared that he would never renounce the White Flag of his ancestors. Of the Princes of the House of ORLEANS the Duc D'ATMALE and the Prince DE JOINVILLE had been returned to the Assembly at the General Election, but, at the request of M. THIERS, they declined for the time to take their places. On the return of the Assembly to Versailles, in December, after representing their claims without effect to the PRESIDENT of the REPUBLIC, they inferred from his ambiguous language that they were released from their pledge, and they have lately taken their seats. The Moderate Republican party in the Assembly, though it is still in a minority, was largely rein-

forced by a supplementary election of more than a hundred members, which was rendered necessary by the refusal of some of the original Deputies to act and by the expulsion of rebels. The trials of Communist prisoners have not yet been completed by the Courts-Martial to which they were intrusted. Only two or three capital sentences have hitherto been executed, and the fate of ROSSEL excited general sympathy. FERRE, who was a principal actor in the murder of the hostages could excite no feeling of compassion.

Notwithstanding occasional bickerings, M. THIERS so far commands the support of the Assembly that a threat of resignation has generally sufficed to insure the defeat of any measure which he has disapproved, but his influence has not induced the Assembly to comply with his wish that it should transfer its sittings to Paris. The composition of his Cabinet has been greatly improved by the removal of some of the former members of the Revolutionary Government of Defence. M. DE REMUSAT has become Minister for Foreign Affairs in the place of M. JULES FAVRE, and M. CASIMIR PERIER, whose name is peculiarly welcome to the party of order, succeeded, on the death of M. LAMBRECHT, to the Ministry of the Interior, which was formerly occupied by M. PICARD. Although the majority in the Assembly, and probably in the country, wish above all things for the maintenance of internal peace and regular government, there is reason to fear that the Revolutionary faction has been rather encouraged by the two months' reign of the Commune than disheartened by its final overthrow. The most anomalous fact which has once taken its place in history is more solid than a theoretical project. The Assembly has not yet produced an orator or a statesman to dispute pre-eminence with M. THIERS. M. GAMBETTA has thus far disappointed his admirers by inability to esta-

blish his position as a party leader. Neither M. VICTOR HUGO, who at an early period resigned his seat, nor M. LOUIS BLANC, who is still a member of the Assembly, exercised the smallest influence over the disciples who in the Commune had even exaggerated their mischievous doctrines, and their authority is justly discredited by the results of their teaching. M. ROUHER, if he obtain a seat for Corsica, will, perhaps, raise the level of Parliamentary debate from its present depression. It is especially desirable that he should be present during the discussion of the Commercial Treaty which he negotiated with Mr. COBDEN, as M. THIERS has given notice of its termination at the end of the stipulated period, unless the English Government will consent to allow an increase of the tariff on cotton and mixed fabrics. A more curious illustration of M. THIERS' obstinate adherence to the Protectionist theories of his youth was furnished by his reluctance to admit the produce of Alsace and Lorraine into France even for a limited period. The PRESIDENT of the REPUBLIC apologized to the Assembly for the grant of a few months of free trade to the former French provinces on the ground that the concession was indispensable to the arrangement of the payment of the next instalment of the Loan, and to the consequent evacuation of some of the occupied departments. It is not yet known whether the English Government and Parliament will consent to the modification of a treaty which was itself inconsistent with the strict rules of political economy.

While France has been engaged in the slow and fitful process of recovery, the organization of the new German Empire has been completed without difficulty or interruption. The large payments exacted from France have enabled the Government to maintain a financial equilibrium without the necessity of imposing additional taxes. Count

BISMARCK, now raised to the rank of Prince, and appointed Chancellor of the Empire, has used as arguments for maintaining and augmenting the military establishments the threats of vengeance which are occasionally uttered by French orators and journalists, and the impunity which French juries have extended to criminals guilty of violence to soldiers of the German Army of Occupation. The most remarkable incident in the domestic history of the Empire is the enactment by the Diet, at the instance of the Government, of a law for the repression of seditious language in the pulpit. The measure is directed against the Ultramontane clergy, who, under the influence of the Holy See, have lately exhibited hostility to German unity as it exists under the supremacy of Prussia. Their opposition is in some manner connected with the propagation of the new-fangled dogma of Papal Infallibility, which is now zealously maintained and enforced by the German Bishops who lately took the most active part in demonstrating its absurdity and falsehood. Only the strongest reasons of expediency could have induced the Government of Berlin to depart from its established policy of religious toleration. The incredibility of a theological figment would never have disturbed its equanimity if the POPE's latest innovation had not also had a political bearing. The conflict between the State and the Church has broken out more fiercely in the Catholic Kingdom of Bavaria, where the clergy and laity who are opposed to the dogma have incurred excommunication by forming themselves into a separate body under the title of Old Catholics. The Bavarian Government inclines to recognize the schismatics as members of the Catholic Church, and to assert their right to retain any endowments which they may hold. The sect will probably die out, but the question which has been raised as to the right of an Established Church to

change or amplify its faith may, perhaps, hereafter lead to important consequences.

The foreign policy of the German Government seems to indicate a determination to deprive France of the hope of forming any European alliance. During the month of September, in consequence of satisfactory assurances from Count BEUST, the German EMPEROR met the Emperor of AUSTRIA at Gastein, and again at Salzburg, and it was stated that, although no formal treaty had been concluded, the two Sovereigns arrived at a friendly understanding, and that Italy was invited to become a party to the compact. It is only certain that friendly feelings were entertained and expressed on both sides ; nor is there reason to believe that Germany intends to form any exclusive alliance with Austria. In his Message to the Assembly on its meeting in December, M. THIERS referred with marked complacency to the friendly relations between France and Russia. Within a few days afterwards the Emperor of RUSSIA gave a public reception to Prince FREDERICK CHARLES, Marshal MOLTKE, and other Prussian Generals on the occasion of investing them with Russian orders of knighthood. In his speech the Emperor ALEXANDER laid marked stress on the intimacy between the Imperial Courts, and it was observed that the Press of St. Petersburg and Moscow from that time discontinued all adverse comments on Germany and its policy. The anxiety with which the Austro-Hungarian Government watches the designs of Russia and the attitude of Germany is closely connected with internal complications, which sometimes threaten the dismemberment of the monarchy. M. POROCKI was in the early part of the year succeeded as Prime Minister of Austria by Count HOHENWART, a strong advocate of the claims of the Slavonic races, and a member of the aristocratic and Ultramontane party which has entered into a close alliance with the malcontent

Czechs of Bohemia. The Council of the Empire and the 17 Provincial Assemblies by which it is elected were dissolved, in the hope that a general election might result in a working majority which would favour the claim of home rule in Bohemia and in some of the other States. The Liberal party, which is nearly identical with the German population, found itself, as usual, in a minority in the Bohemian Diet ; and the dominant party commenced its proceedings by the demand of a new Constitution, including the establishment of an independent kingdom of Bohemia after the Hungarian model. The promoters of the motion imprudently added a declaration that they recognized the legal condition already enjoyed by Hungary. The Resolution of the Diet was regarded as a challenge both by the Germans of Austria and by the Hungarians, who have themselves Slavonic provinces to deal with. The Bohemian minority refused to take their seats in a Diet which had both exceeded its functions and virtually disavowed the authority under which it was summoned ; and the Hungarian Prime Minister, Count ANDRASSY, insisted on the withdrawal of the officious reference to Hungarian rights, with which the Bohemian Diet was incompetent to interfere. It appeared that Count HOHENWART had sanctioned the pretensions of the Czechs, and that he had to some unknown extent pledged the EMPEROR himself to grant their demands. Count BEUST, Chancellor of the Empire, and Count ANDRASSY united in a representation of the domestic and foreign dangers which would necessarily result from the breach of the compact with Hungary, and from the disruption of the Western portion of the Empire into a cluster of federal States. The prelacy and a portion of the high aristocracy used their local influence in support of Count HOHENWART, but ultimately the Emperor FRANCIS JOSEPH yielded to the pressure of his ablest advisers. The

Bohemian demands were refused, and after an interval Prince ADOLF AUERSPERG, an able and trusted leader of the Liberal party, succeeded Count HOHENWART as Minister ; but, to the general surprise, Count BEUST was dismissed from the post in which he had during five eventful years rendered invaluable services to the Empire. He was succeeded as Chancellor of the Empire by Count ANDRASSY, and Count LONYAY became Prime Minister of Hungary. The EMPEROR, notwithstanding his vacillations, seems to have acted with good faith and patriotism ; but Bohemia remains recusant, and the almost insuperable difficulties of reconciling the conflicting pretensions of rival races, to judge from the EMPEROR'S address to the Reichsrath, have not been even partially overcome.

The relations between the Italian Government and the POPE remain unchanged, except by the lapse of time, which gradually accustoms all parties to changes which at first surprised both winners and losers. After two or three previous visits to Rome, the KING opened Parliament there in the month of December, while the POPE solemnly repeated to a sympathizing audience his accustomed protests against sacrilege and usurpation. In the summer PIUS IX. passed the traditional limits of the reign of ST. PETER, and at the age of eighty, notwithstanding the urgency of zealous adherents, he prefers the residence in the Vatican, which he calls imprisonment, to an exile from which his successors might, perhaps, find it difficult to return. The piety of M. THIERS induced him to offer the persecuted PONTIFF a contingent refuge in the remote Castle of Pau, and M. THIERS added the singular recommendation that the house had formerly been inhabited by HENRY IV., who was at the time chief of the Protestant party in Europe. The POPE must have collected from the tone of the

invitation that he has nothing for the present to hope from France. It is, perhaps, some consolation to the persecuted Church that in almost every part of Europe it is still powerful enough to provoke the bitter hostility of the Liberal party. Even in the model kingdom of Belgium, the Conservative Ministry of M. D'ANETHAN was lately driven from office by a tumult excited on a frivolous pretext in the streets of Brussels. The Belgian clergy, since the late extension of the suffrage, which they promoted, have acquired a majority in the Legislature ; but the town constituencies and their members in Belgium, as elsewhere, are opposed to clerical influence.

The Italian Prince who ascended the throne of Spain at the beginning of the present year has thus far justified the discerning choice of the statesman who died by the hand of an undiscovered assassin a few hours before King AMADEO landed at Barcelona. Admiral TOPETE, who had opposed the candidate selected by Marshal PRIM, loyally discharged the duty of welcoming him on his arrival and of accompanying him to Madrid. Marshal SERRANO undertook the formation of the KING's first Cabinet, but, finding that his majority in the Cortes was doubtful, he soon afterwards retired, and at the same time the union of parties which had been maintained since the last Revolution by the influence of PRIM was finally dissolved. ZORRILLA formed a Progressist Ministry, which lasted until the beginning of the Session in October, when, on the defeat by SAGASTA of RIVERO, the Ministerial candidate for the Presidency of the Cortes, ZORRILLA in turn resigned. A Provisional Cabinet, under a naval officer named MALCAMPO, discredited itself and the country by producing a financial scheme in which Señor ANGULO, Minister of Finance, proposed to tax the dividends of the Foreign Debt to the amount of 18 per cent. SAGASTA has since formed

a Government supported by a section of the Progressists and by the former members of the Liberal Union. It is not encouraging to the friends of Spain to learn that ANGULO retains his former office under the new Prime Minister. While ZORRILLA was still in power the KING made a tour through the provinces and principal towns, and his spirited bearing and evident anxiety to identify himself with the Spanish nation seems to have acquired for him general popularity. On his return to Madrid he was painfully reminded of the embarrassment which factious struggles cause to every Spanish ruler ; and a graver difficulty awaits the Government and the nation from the continuance of the insurrection in Cuba. Eighty thousand regular troops, despatched at different times from Spain, have failed to suppress resistance, and the capital appears to be controlled by a body of lawless Volunteers, who have lately put to death, with circumstances of peculiar atrocity, a number of young men belonging to some of the most respectable families in Havannah. That the neutrality which has hitherto been observed by the United States may possibly be exchanged for a more active policy is suggested by some passages in the recent Message to Congress. The PRESIDENT refers in strong terms of disapproval to the continuance of slavery in the Spanish colonies, and he announces that the officers of the Navy have been directed to give ample protection to American citizens. Although all parties in Spain are at present unanimous in their professed determination to retain possession of Cuba, it might, perhaps, be prudent to devise, if possible, some amicable method of separation.

In the same Message President GRANT was able to congratulate the Congress and the people on the prosperity of the country, on the reduction of the Debt by £17,000,000 within the year, and, above all, on the approaching settlement of the differences

with Great Britain. In consequence of the overtures with which the PRESIDENT replied to Lord GRANVILLE's proposal of a Joint Commission on the Canadian Fisheries, Earl DE GREY, since created Marquis of RIPON, Sir STAFFORD NORTHCOTE, Mr. MOUNTAGUE BERNARD, and two Canadians of high political rank, met at Washington a not less eminent body of American Commissioners, including Mr. HAMILTON FISH, Secretary of State, and General SCHENCK, now American Minister in England. The American Commissioners positively refused to include among the questions to be settled any claim for redress on account of the Fenian expeditions which had entered Canada from the territory of the United States. The principles on which the Alabama claims were to be settled were determined with ease and rapidity. The English Commissioners assented to the proposal of their American colleagues that the rule for which the Government of the United States had always contended should be established for the future. Neutrals were to be responsible for negligence in allowing vessels to be built or equipped in their dominions for purposes of hostility against a belligerent; and, although the English Commissioners justly declared that the proposed law was entirely novel, they undertook to allow the Alabama claims to be decided under the *ex post facto* law. After the concession of the main point in dispute there was no difficulty in adjusting the machinery for deciding on the facts of the case and for assessing damages. Three arbitrators, appointed by as many impartial Governments, have already met at Geneva, with the LORD CHIEF JUSTICE of ENGLAND and Mr. CHARLES FRANCIS ADAMS, respectively representing the English and American Governments. Sir ROUNDELL PALMER has undertaken the duty of acting as counsel for England, nor can any objection be made either to the tribunal or to the advocate. A Mixed Commission at Washing-

ton is employed in adjudicating on other classes of claims, and it is expected that the Canadian Parliament will pass the Acts which are necessary to give effect to the clauses of the Treaty relating to the Fisheries. The disputed boundary in the Straits of San Juan is referred to the arbitration of the German EMPEROR. The main or sole object of the Treaty has been fully attained. The Americans are at last thoroughly satisfied, although a few grumblers regret the withdrawal of the preposterous claim for redress on account of the QUEEN'S Proclamation of Neutrality. For the first time in 80 years journalists and public speakers have ceased to court applause by hostile denunciations of England. At home the greater part of the Union increases as usual in prosperity, though some of the Southern States have not even begun to recover from the ruin and disorganization of the civil war. In South Carolina and in one or two other States the PRESIDENT has used armed force to repress the outrages of armed bands, which express in a lawless and criminal form the dissatisfaction which is felt at the political supremacy of dishonest strangers and ignorant negroes. The PRESIDENT has wisely recommended to Congress the remedial measure of a general amnesty, which would restore to civil rights the best members and the natural leaders of the community. The most remarkable event which has lately occurred in the United States has no political bearing. The central part of the great city of Chicago was during the autumn burnt to the ground, and about the same time vast fires devastated large portions of the North-Western States, destroying many towns and villages. The unequalled energy of the American people has already commenced the restoration of Chicago, and the immediate wants of the homeless population have been largely relieved by American and English liberality. Notwithstanding the opposition of ~

section of the Republican party, including Mr. SUMNER and Mr. GREELEY, it is nearly certain that General GRANT will be nominated and re-elected in November next. The Democratic party, which at the last election obtained five-sevenths of the total number of votes, has been gravely discredited by the exposure of extraordinary frauds committed by its chief managers in the most populous State of the Union. The science or art to which American politics have been reduced has never been so characteristically illustrated as in the extreme case of the City of New York, which has with pardonable exaggeration been sometimes called an Irish Republic. A body of politicians, known from their place of meeting by the name of the Tammany Democrats, has for some time past controlled the elections not only of the City, but of the State, and half-a-dozen of their leaders had gradually assumed the absolute direction of affairs. All of them were men of the lowest class and of more than doubtful character; nor was it at any time supposed, either by their active supporters or by the respectable portion of the community which submitted to their rule, that they were personally honest; but the divorce of taxation and representation has long deprived the constituency of New York of all interest in purity of administration. The chief member of the gang, or, in American phraseology, of the "Ring," after becoming bankrupt as a small tradesman a few years ago, and having since pursued no branch of honest industry, had amassed as a politician a large fortune, which he spent with ostentatious splendour. He and his associates purchased with the city funds the votes of a majority in the Senate and Assembly, and, in partnership with the equally notorious directors of the Erie Railway, the Tammany managers retained the services of three Judges on the Bench. The taxation of one of the worst

managed cities in the world amounts to about £6,000,000 a year, and for some time past the debt of the city has been largely and rapidly increasing. That gross frauds were committed was universally known, but the detailed proofs of embezzlement which ultimately excited popular indignation were furnished by the unaided energies of the *New York Times*. It was proved that the fittings and furniture of a single public building had in two years cost a million and a half sterling. The amount, which was only one of many fraudulent items, had been divided between the city rulers and the tradesmen who were supposed to have furnished the goods. The plumber and the carpenter had each ostensibly received £500,000, and it was calculated that the bill for carpets would have sufficed to cover the City Park with the most costly fabrics of the kind. Enormous sums were traced into the possession of the chief culprits, and it may be hoped that some of them will be brought to justice. At the autumn election the Republicans, uniting with the respectable Democrats, returned their candidates for the principal city offices, and they obtained a more important victory by securing a majority in the Legislature ; but the chief criminal was re-elected to the Senate. The delinquent Judges will probably be impeached and punished ; and as long as the upright part of the population is willing to devote its energies to political affairs, the renewal of the abuses will be effectually prevented ; but sooner or later universal suffrage, as applied to the government of a wealthy city, will reproduce its natural effects, and projects for vesting the control of municipal funds in the taxpayers are obviously futile. Pecuniary corruption, facilitated by the votes of unqualified constituencies, is not confined to one State or one party. Two Northern adventurers, who have been raised by the negro vote to the offices of Governor and Treasurer of South

Carolina, have lately purloined more than a million sterling from the funds of the State. The displacement of the natural centre of power tends, not to the benefit of a dominant rabble, but to the profit of swindlers who wield the power nominally intrusted to their dupes. The late Municipality of New York and the late Commune of Paris exemplify the grotesque and the gloomy side of extreme Democracy. The French Revolutionist is imaginative, earnest, and cruel ; the American demagogue is practical, humorous, and corrupt ; of the contrasted specimens the Hiberno-American type is, perhaps, the less offensive.

Political interest in this country has during the year been principally confined to the proceedings of Parliament. The disestablishment of the Irish Church, which was finally completed on the first day of the year, attracted little notice in England. The Irish clergy and laity have since occupied themselves with commendable activity in the organization and partial endowment of their religious community. Future experience will show whether it is possible to maintain the influence which the clergy have hitherto derived from their social position and from their education. The experiment of depriving the Bishops of nearly all their patronage will not tend to confirm their authority. During the Recess several agitators have, with indifferent success, attacked as many parts of the existing Constitution. Mr. Dixon and a sympathizing body of Birmingham patriots, having energy to spare from their denunciations of the Education Bill, after long preparation induced two other members of Parliament to attend a meeting for the reform or abolition of the House of Lords. As no two speakers concurred in any opinion, except in disapproval of the present House of Lords, the acceptance or rejection of any project of Reform which may be suggested would for the present be premature. Sir

CHARLES DILKE, who was selected by Mr. GLADSTONE to second last year's Address, undertook to deliver in the North a series of lectures on the redistribution of seats in Parliament. Finding, perhaps, that the subject was not popularly attractive, the lecturer suddenly digressed at Newcastle into an attack on the QUEEN's administration of the Civil List, adding a misstatement, which has since been disproved but never retracted, to the effect that HER MAJESTY, in spite of a promise given to Parliament, had not been in the habit of paying Income Tax. Sir CHARLES DILKE proceeded to express his belief that with the progress of education the great body of Englishmen would hereafter prefer a Republic to a Monarchy. A few days later, in a speech at Bristol, Sir CHARLES DILKE avowed himself a Republican, and he has received a due reward in the applause of every revolutionary faction in the kingdom, and in admission as an honorary member to the International Society. By an exceptional infelicity, he was almost immediately afterwards answered by the most spontaneous and universal outburst of loyalty to the CROWN which has occurred within two generations. A more mischievous set of incendiaries, because they are surrounded by more inflammable materials, have attempted, not without temporary success, to stir up once more the chronic disaffection of the Irish rabble. During the Continental war while all other classes were exerting themselves, without distinction of sect or party, to assuage the sufferings of the wounded, a knot of Irish agitators despatched to the aid of the French army a single ambulance, which was loudly announced as a proof of national sympathy. In the course of the autumn two or three French Legitimists of rank, having been persuaded to visit Ireland for the professed purpose of expressing the gratitude of their countrymen, were publicly welcomed in a succession of meet-

ings, in which the advocates of Home Rule delivered their usual declamations against England. Since that time Mr. BUTT has prosecuted with untiring activity his agitation for the repeal of the Union, and there is reason to believe that the new movement may cause some embarrassment at the next General Election. In his professional capacity Mr. BUTT succeeded in procuring the acquittal of a prisoner who was charged with the murder of a detective officer. It must be assumed that the jury entertained conscientious doubts of the identity of the accused, although the counsel relied by preference on two questionable propositions—that a detective police officer might be justly put to death, and that the guilt of homicide rested, not with the assassin who shot the deceased, but with the eminent surgeon who failed to cure the wound. The applause of a mob which, apparently, participated in none of the doubts entertained by the jury was received by Mr. BUTT with the assurance that they had gained a great Constitutional triumph.

Of all the questions which have been of late publicly discussed, the clauses of the Education Bill which allow of aid to Denominational Schools are likely to cause most trouble to the Government. Mr. DIXON has in this instance also assumed the most prominent place, and he is supported by a powerful body of Nonconformists. The object of excluding religious teaching from day schools is evidently pursued with fanatical earnestness by a section of the Liberal party, which is powerful in numbers and influence, whatever may be the value of its arguments. It may be hoped that the more enthusiastic friends of secular education will not be supported by the bulk of their adherents in their threat of breaking up the party unless the Government consents to abandon the well-considered compromise of 1869. The contest between the publicans and brewers on one side and the advocates of com-

pulsory abstinence on the other is not less actively sustained. Although the connexion between politics and the beer trade is only accidental, the dissatisfaction of the publicans with Mr. BRUCE's proposal had probably a large share in the defeat of Ministerial candidates in East Surrey, at Truro, and at Plymouth. In East Surrey Mr. CHARLES BUXTON, whose lamented death caused a vacancy, had at the General Election defeated his opponent by a considerable majority. His Conservative successor, Mr. WATNEY, headed the poll in the autumn by more than a thousand votes. It is difficult to say whether the popularity of Mr. GLADSTONE and his colleagues is seriously impaired. Neither grave miscarriages in the public service nor the culpable evasion of an Act of Parliament by two principal Ministers was so much calculated to disturb the robust faith of Liberal constituencies as to excite the disapproval of less impulsive politicians. Mr. GLADSTONE has, except on three or four occasions, judiciously kept silence during the Recess. At Whitby he contrasted the steady devotion to his person of the provincial Press with the metropolitan criticisms, which he hastily attributed to a corrupt interest in the system of purchase. In a more statesmanlike tone he announced at Aberdeen the resolute determination of his Government to resist in every form attempts to separate Ireland from the United Kingdom. In a first visit to his constituents at Greenwich he delivered an eloquent apology for his domestic policy ; and soon afterwards, at the Mansion-house, he once more avowed his well-known conviction of the peaceful disposition of all Powers, and of the impossibility of war. The attention which had been throughout the Session concentrated on the Army was more agreeably occupied by the Autumn Manceuvres on the borders of Berkshire and Hampshire. Mr. CARDWELL deserves credit for instituting what must be

henceforth an indispensable part of the system of military instruction. About 30,000 men, including Militia and Volunteers, were assembled in the district to the east of Aldershatt, under the command of some of the most experienced officers in the service. The Duke of CAMBRIDGE assumed the chief command, and the Prince of WALES took a part in the movements at the head of a Cavalry brigade. Complimentary reports on the manœuvres, courteously furnished by General BLUMENTHAL and other distinguished foreign officers, have since been quoted by Mr. GLADSTONE with eager satisfaction. The Volunteers received favourable notice, but the general attention was chiefly directed to the efficiency of the troops of the Line. It was agreed on all hands that the materials of the Army, both officers and men, were of admirable quality. The strategy displayed was variously estimated by competent judges, and the Control Department will probably, on a future occasion, avoid occasional failures which excited some complaint. It was found difficult to convince the unimaginative British soldier that he must be stopped by a conventional and invisible impediment, or that he should acknowledge defeat on the authority of an umpire. It was justly said that the chief use of a first experiment of the kind was to bring to light mistakes for the sake of correcting them. After the conclusion of the manœuvres Mr. CARDWELL issued the expected Royal Warrant, which thenceforth regulates the constitution of the Army. Admission to the rank of an officer is in the great majority of cases to depend on open competition, but two or three supplementary modes of access are judiciously provided, and the Brigade of Guards is, for the present, not affected by the Warrant. Cornets and Ensigns are abolished ; promotion up to the rank of Major is as a rule to be determined by seniority, and in the higher ranks by selection. To inform the

judgment of the COMMANDER-IN-CHIEF an elaborate system of reports is to be furnished on the conduct and capabilities of every officer by his immediate superior. The theory of universal supervision will probably be reduced within narrower limits, and it will inevitably be modified or disregarded in practice. Mr. GOSCHEN, who succeeded Mr. CHILDERS as First Lord of the Admiralty in the early part of the year, has hitherto not been fortunate, though he is not personally responsible for either of the disasters which have occurred. He displayed laudable firmness in the case of the *Agincourt*, which had been allowed by gross negligence to run aground on a well-known shoal. A Court-Martial had duly censured the subordinate officers concerned, and Mr. GOSCHEN dismissed from their commands two Admirals who were considered to share the responsibility of the misadventure. He has also referred to a Commission, under the presidency of Lord LAWRENCE, the scandalous case of the troopship *Megara*, which was necessarily run on shore and abandoned on a remote island in the Southern Ocean. The flippant answers of the then Secretary of the Admiralty to questions asked in the House of Commons with respect to the *Megara* increased the general indignation at the reckless indifference of some unknown authority to the safety of the passengers and crew and to the efficiency of the service. In the conduct of the other great Departments of State there has, with one exception, been little to excite public attention. The COMMANDER-IN-CHIEF IN INDIA has employed in the preparations for a petty border war the same elaborate care and forethought which insured his success in Abyssinia. Lord KIMBERLEY has once more been called upon to congratulate the Canadian Government on the repulse of a Fenian expedition which invaded the remote territory of the Red River. The United States' authorities afterwards

arrested the ringleaders in the outrage, but immediately released them on the ground of the offence having been committed within British territory. The treaties which have been concluded with Russia and with the United States have for the present satisfied both Powers ; and the most important negotiation which now demands the attention of the Foreign Office relates to the French Commercial Treaty. In one important branch of the public service a grave scandal has occurred. By an Act passed at the instance of the Government in the last Session, eligibility to the place of a paid member of the Judicial Committee of Privy Council was limited to past or present Judges of the Superior Courts, and to persons who had held two or three other specified offices. At the beginning of the Michaelmas Term, on the promotion to the Privy Council of Sir MONTAGUE SMITH, the ATTORNEY-GENERAL was gazetted as a Puisne Judge of the Common Pleas for the express purpose of qualifying him for an appointment to the Judicial Committee, which was soon afterwards completed. The LORD CHIEF JUSTICE of ENGLAND immediately addressed a vigorous and argumentative remonstrance to Mr. GLADSTONE on the wilful evasion of the obvious meaning of the statute. Mr. GLADSTONE characteristically answered that the LORD CHANCELLOR was exclusively responsible for the appointment of Puisne Judges, and that he had himself not up to that time appointed Sir ROBERT COLLIER a member of the Judicial Committee. Lord HATHERLEY in turn curtly informed the CHIEF JUSTICE that his share in the transaction was intentional, and that he would at fit time and place be prepared to defend his conduct. It is to be hoped that the opportunity will be offered as soon as Parliament meets. To the promotion of a Law Officer of high character and acknowledged ability no objection would have been offered if only the ap-

pointment had conformed to the spirit as well as to the letter of the law ; but, as the CHIEF JUSTICE conclusively urged, a qualification conferred for the purpose of satisfying the words of the Act furnishes none of the securities required by Parliament. On LORD HATHERLEY'S principle a civilian might one day receive a commission as General, and on the next be made Commander-in-Chief. If the LORD CHANCELLOR has violated his duty as head of the profession and guardian of the law, Mr. GLADSTONE'S share in the transaction is still more questionable, as a second attempt within a short interval to extend the prerogative which he administers. By the issue of the Royal Warrant on Purchase the PRIME MINISTER strained the Constitution, and in concert with the LORD CHANCELLOR he has now shown his contempt for law. For the second irregularity his most faithful apologists have failed to invent an excuse. It is doubtful whether so much general attention has been concentrated on any political question as on the unwieldy trial which will determine the title to the estate and baronetcy of Tichborne. The Chief Justice of the Common Pleas, with a special jury, has now been engaged for seventy days in hearing the plaintiff's case, which closed on the eve of the Christmas vacation. It is impossible to conjecture whether the defence will occupy an equal length of time. That one set of litigants should have a monopoly for half a year of the services of a Judge of the highest rank is an anomaly not less striking than the most wonderful of the paradoxes and contradictions which have given the case its unprecedented interest.

The prosperity of the country throughout the year has been great, and there is for the present no symptom of decline or interruption. The amount of imports and exports and the productiveness of the great sources of revenue have surpassed all former

experience, and the returns of railway traffic have exceeded those of any former year by nearly a million. During the autumn, in consequence of a reduction of the balance, and in anticipation of large demands for money to meet the French payments to Germany, the Bank Directors advanced their rate of interest in successive weeks from 2 to 4 and 5 per cent. The market rate of discount never rose in proportion, and at the end of November the rate was reduced to $3\frac{1}{2}$, and in the middle of December to $2\frac{1}{2}$ per cent. One flourishing branch of industry was for three or four months seriously affected by a "strike," which ultimately proved successful. In consequence of the success of a similar movement at Sunderland the working engineers of Newcastle demanded the reduction of the ordinary day's labour to nine hours ; and their employers, after importing many foreign workmen to take the place of the seceders, were finally compelled to yield. Their example was followed, either voluntarily or under pressure, by many great employers in other parts of the kingdom ; and the state of trade enables the workmen to retain, nevertheless, the previous rate of wages.

Among the few eminent men who have died in the course of the year two were men of science. Mr. BABBAGE was a profound mathematician, and the calculating machine which he devised was an unparalleled proof of scientific ingenuity. Sir RODERICK MURCHISON, whose natural gifts were probably less remarkable, occupied an exceptional position as the connecting link between society and the world of science. By the geological studies and investigations which he commenced after the close of his military career he acquired a considerable reputation, but it is as the zealous and indefatigable President of the Geographical Society that he will, perhaps, be best remembered. The influence which he derived from his popularity and from the wide

range of his information was uniformly exercised in promoting discovery, and every adventurous traveller regarded the President as his surest friend and patron. The obstinate incredulity with which he rejected during the last years of his life all doubts which were suggested as to the safety of Dr. LIVINGSTONE attracted universal sympathy, although his sanguine hopes were not universally felt. A statesman who belonged to the last generation passed away within a few days before the close of the year. Lord ELLENBOROUGH's fame was greater than his achievements. Unconciliatory, impulsive, resolute, and haughty, he commanded admiration rather than confidence. During his short Indian administration he restored, with the aid of POLLOCK and NORT, the military reputation which had been dangerously compromised under one of the unaccountably feeble favourites whom the Whigs were in the habit of selecting for the most arduous posts. In the more doubtful conquest of Scinde, he employed Sir CHARLES NAPIER, whose genius and foibles were akin to his own. His Indian Viceroyalty ended in consequence of the slights which he offered to his official superiors. The other parts of Lord ELLENBOROUGH's administrative career were fragmentary, and, on the whole, unsuccessful. Although he rarely took part in the debates of the House of Lords, he was a consummate orator. Never speaking except on subjects of which he had a special knowledge, he was always received with profound attention. His stately presence, his musical voice, his polished language, and his lofty tone of sentiment all contributed to the effect of his eloquence. His favourite topics were Indian administration and foreign policy. In one of the latest of his speeches, delivered several years ago, he denounced with earnest indignation the oppression of Poland by Russia.

Not the least important part of the history of the

year was connected with the prospect of a misfortune which has been, happily, averted. An illness from which the QUEEN suffered in the early part of the autumn had produced many sincere expressions of loyal feeling, and the great mass of the community, which had never wavered in its attachment to the CROWN and to the Royal Family, was astonished at its own profound emotion when it became known that the Prince of WALES was in imminent danger. An attack of fever, commencing in November, had from the first excited considerable anxiety, though the medical reports for three weeks were comparatively encouraging. At the end of the first week in December a relapse, which appeared to have rendered recovery hopeless, produced an outburst of sympathy and sorrow which could only be compared to the national grief on the death of the Princess CHARLOTTE in 1817. In every town crowds waited anxiously for the issue of newspapers containing the latest news of the PRINCE, and the Government found it expedient to forward the medical bulletins to all the telegraph offices in the United Kingdom. Throughout India, in the Colonies, and even in the United States, the daily progress of the disease was recorded and watched; and at home, in the churches of every religious communion, prayers were offered, though almost without hope, for the recovery of the PRINCE. A natural association directed special attention to the accounts of the 14th of December, the day on which, ten years before, the PRINCE's father had succumbed to the same disease. On that very day, or a few hours earlier, there were symptoms of amendment, and before the end of the week the most dangerous complications had disappeared. The vigour of youth and of a sound constitution has since produced a slow but uninterrupted progress, and there is strong reason to hope that the PRINCE may live to justify and reward the affection

of the people. It would be rash and culpable to neglect public duties in reliance on the strength of the personal feeling which has been so conspicuously displayed. The safety of the CROWN and of the institutions of the country must ultimately depend on the practical demonstration of their utility and conformity with the best interests of the nation ; but the imaginative loyalty which anticipates or unconsciously expresses the result of political calculation and experience is one of the best securities for willing obedience and for orderly freedom.

1872.

During the year 1872 peace has not been disturbed in any part of the civilized world, and at home, notwithstanding rapid fluctuations in the value of money and grave economical symptoms, commercial activity has not been seriously checked. The imports and exports have exceeded in value the amounts of all previous years, though the quantities of goods have not increased in the same proportion. The estimates of the public revenue have, during eight months of the financial year, been largely exceeded ; and it is already certain that the Budget of 1873 will exhibit a considerable surplus. The oscillations of the Money Market have been due to causes over which English capitalists and traders could exercise no control. Of the vast sums which have been paid, under the provisions of the Treaty of 1871, by France to Germany, a large portion has been retained in the hands of the Government and of private speculators, in anticipation of the proposed substitution of gold for silver in the currency of the Empire. Calculations based on the course of commercial transactions necessarily fail to meet the contingency of

political derangements ; but vigilant precautions sufficiently guard against the risk of a sudden or excessive drain of bullion. It was found necessary in the month of April to raise the Bank rate of discount from $2\frac{1}{2}$ to $3\frac{1}{2}$, and afterwards to 4 per cent. ; but in June the percentage was again reduced, and in July and August it remained steady at $3\frac{1}{2}$ per cent. In the autumn the effects of the French payments to Germany under the Supplementary Treaty of Peace caused in the course of five or six weeks a rise in the Bank rate by successive stages to 7 per cent. This high rate of interest has produced its natural result in attracting bullion to the English market, and during the present month it has been found possible to reduce the Bank rate to 5 per cent. The prosperity of trade has enabled the industrial classes to bear with comparative equanimity a general rise in prices, which presses heavily on less elastic resources. The dearth of provisions, and especially of butchers' meat, may be attributed partly to an unexampled demand, and, in some degree, to the prevalence of the foot and mouth disease among cattle and sheep. Almost all manufactured commodities have been enhanced in cost by the great rise in the price of coal, which is, in its direct operation, still more burdensome to the whole community. Some kinds of coal have within twelve months doubled in price, and the average increase in the price of household coal is not less than 40 or 50 per cent. The causes of the advance are imperfectly understood, but it is certain that a large portion of the increase has swelled the profits of the coal-owners. Although it would be useless to blame any class of producers for making the most of their opportunities, it is not unnatural that the colliery proprietors should seek to depreciate the invidious amount of their gains by endeavouring to shift a portion of the responsibility to their workmen. The colliers have, chiefly by means of actual

or threatened strikes, obtained an increase of wages which may, perhaps, account for a tenth part of the advance in the price of coal. It unluckily appeared that their previous wages had been sufficient for their wants, and that, by an untoward exercise of their absolute discretion, the colliers preferred to take out the increased value of their labour rather in repose than in money. In many places they have declined to work for more than three days in the week, and for the purpose of maintaining or increasing the high price of coal, they have intentionally restricted the supply. It may be hoped that, in spite of the efforts of Trades' Unions, the inconvenience may hereafter be wholly or partially removed by competition. In the meantime the consumers are the principal sufferers, though the coalowners are louder in their complaints. The production of coal, though it has been artificially restricted, has been greater than in any former year, and the demand, which has exceeded even the liberal supply, has enabled the proprietors to charge enormous prices. All kinds of iron and hardware have naturally risen in price with coal; and the innumerable articles which are wholly or partially produced by the aid of steam power have also become dearer. The Railway Companies, which have carried a larger traffic than in any former year, find their expenses of working and maintenance greatly increased. They are compelled, in common with other employers, to raise their wages; they are large consumers of coal, and although their refuse iron has become more valuable, they incur additional expense in re-laying their rails. The numerous strikes which have occurred during the year, although there may be no novelty in their causes or circumstances, have produced general anxiety by the formidable nature of their possible results, and by the extension of the system to
ses which had hitherto abstained from combina-

tion. An agitator with a certain command of language, who himself formerly worked in the fields, has succeeded in organizing an Agricultural Labourers' Union in several counties. The movement has been in some degree justified by an advance of wages, which has also, perhaps, weakened its force ; but it is easy to foresee that a Labourers' Union may portend grave embarrassments. At seed time, at harvest time, and at the minor epochs of the agricultural year, the labourer may place almost irresistible pressure on his employer ; and if he withholds his services, not under provocation, nor in the exercise of his individual discretion, but in obedience to the dictates of a committee, he may cause irreparable injury. On the other hand, the farmer has a hold on the labourer during the dead seasons of the year, when some of the work on the land is neither urgent nor indispensable ; and the privileges, the perquisites, and the friendly services which are customary in all parts of England are in their nature liable to be varied or suspended if the relations of employer and labourer are disturbed. The differences of strength, of skill, and of ability among labourers are adapted to the character of their employment, which is less uniform and less monotonous than mechanical processes. The fixed rules which are necessarily adopted by Unions are ill-suited to the changing circumstances of seasons and of crops ; but, at the same time, it has never been disputed that the agricultural labourers have the same right with other classes of the community to combine for a legal purpose. Unfortunately, their deficient education exposes them to the temptation of revolutionary theories, and some of them readily accept the suggestion that they have a claim, not to larger wages or to better houses, but to a share in the land. A resolution to this effect was carried at a recent meeting in London, in the presence of

respectable philanthropists and divines, who had not been admitted to the secret when they undertook to advocate the movement. In other departments of industry the bearing of strikes on the interests of the general community has been forcibly illustrated. The labour which the Trades' Unions purposely interrupt at the time when it is most urgently required is necessary to the master that he may supply the wants of his customers. At the most active season of the year, early in the summer, the workmen in the London building trade struck for a reduction of the hours of labour, and, consequently, almost all building operations were suspended for two or three of the best months in the year. The masons, who, at an early period of the strike, agreed to a compromise with the masters, were reproached by the carpenters and joiners for their want of firmness, but towards the end of August the malcontents returned to work under an arrangement by which both the hours of labour and the amount of weekly wages were reduced, while the proportion of payment to time was slightly increased. About the same time the journeymen bakers demanded a diminution in the hours of labour, on pain of a strike, which, as they justly anticipated, would have caused great inconvenience to the householders of London. The occupation of a baker requires but a moderate amount of skill; and the numerous master bakers, many of whom carry on business on a small scale, understand all the details of the business. It appeared that it was necessary for the trade to consult the habits and fancies of the consumers, more especially in the poorer neighbourhoods. In some cases trifling concessions were made, and the project of the strike, happily, collapsed. A deputation of working people, which lately waited on the Corporation of London to complain of delay in the completion of some industrial dwellings near the Holborn Viaduct.

appeared to be surprised by the information that the postponement of the work had been caused by the strike in the building trade. Artisans who have been taught to concentrate their attention on their own interests as producers of certain commodities will, perhaps, gradually learn the inconvenience of a rise of price in every other article of use. Much uneasiness was felt when, in the month of November, the contagion of strikes extended to the Metropolitan Police, where it assumed the character of mutiny ; but the movement was, happily, checked at the outset, and the minor offenders were, after a time, on their expression of contrition, re-admitted to the service, with suitable reduction of rank and of pay. Shortly afterwards the stokers in the employment of several of the London Gas Companies suddenly abandoned their employment at the dictation of a recently-formed Union, on the refusal of their demand for the restoration of a workman who had been dismissed. In this instance the promoters of the strike and their followers deliberately calculated on their supposed power of mischief as an instrument for the coercion of their employers. The crime, the pecuniary loss, and the universal annoyance which would have been caused by a stoppage of the supply of gas were, happily, averted by the vigour of the officers of the Companies, and by the ready co-operation of all their public and private customers. The occupation of a stoker, fortunately, requires little skill, and, with the aid of a large number of fresh workmen, it was found possible to provide from the first sufficient light for the streets in most quarters of the town, while lamps and candles were generally substituted within doors for the ordinary consumption of gas. After one or two nights the danger had abated, and in less than a week the supply of gas was fully re-established. Many of the workmen who broke their contracts have been sentenced to heavy punishments.

The extraordinary rainfall which has now lasted for seven months has been a grave drawback to the general prosperity. The electrical disturbance, indicated by a constant succession of thunderstorms, began towards the latter part of a cold and backward Spring, and they have continued to the present time. In the month of June there were heavy floods in many parts of the country, and the harvest was deficient both in quantity and quality. The consequent loss will be greatly aggravated by the unprecedented wetness of the Autumn, which has rendered it impossible to sow wheat except in the lighter soils. The potato crop was the worst for six-and-twenty years ; but some compensation has been found in the ample produce of other root crops and in an unusual abundance of grass. Within the last month gales of extreme violence have done much damage on land, and have covered the sea with wrecks. Between bad weather and Labourers' Unions, farmers have not enjoyed a cheerful year. On the other hand, the Autumn has been healthy.

Since the close of the Session economical interests have preponderated over political excitement. The occasional elections which have occurred have attracted attention rather to the operation of the new system of secret voting than to their effect on the balance of parties. In the first election held by Ballot Mr. CHILDERS with difficulty retained his seat for Pontefract against the opposition of Lord POLLINGTON. The abolition of the Nomination Day and the secrecy of voting were found to conduce to peace and good order, and there was no reason to doubt that the opinions of the constituency were genuinely expressed. In the Conservative borough of Preston, where Mr. HOLKER was returned by a large majority, the local managers of both parties succeeded in defeating to a certain extent the policy of the Act, by inducing the voters

to declare their adhesion to one or the other party after leaving the polling-booth. At Tiverton Mr. MASSEY, who professed extreme opinions, secured for the Ministerial party the seat which had been vacated by the promotion of Mr. DENMAN to the judicial Bench. Richmond was carried against an extreme Liberal by a representative of the powerful Whig family which has long controlled the representation. Two Scotch county members have been returned by the tenant-farmers for the purpose of supporting their demands on the landlords. In Ireland the Conservative candidate, Mr. LEWIS, defeated at Londonderry Mr. PALLES, who had succeeded Mr. DOWSE as Attorney-General; and the Home Rule party, which had nominated a candidate of its own, obtained less than a hundred votes. In other Irish contests, as in Kerry and in Cork, the supporters of Home Rule have been more successful. In Galway the Home Rule party allied themselves with the Roman Catholic clergy against the gentry of all parties and of both religious persuasions. The violence of the lay and clerical agitators was almost without precedent even in Ireland; and the election was afterwards set aside on the most conclusive evidence of material and spiritual intimidation. Mr. Justice KEOGH, the Election Judge, awarded the seat to the candidate who had received the smaller number of votes; and his just indignation was, unfortunately, expressed in an eloquent harangue which was scarcely consistent with judicial reserve. A prosecution is still pending against some of the alleged offenders. Two of the English contests had been caused by changes in the Government. Mr. CHILDERS was re-admitted to the Cabinet after an interval of a year, on his appointment to the Chancellorship of the Duchy of Lancaster, in place of Lord DUFFERIN, who had been judiciously selected as Governor-General of the Dominion of Canada. In the month of October

LORD HATHERLEY resigned the Great Seal in consequence of an infirmity which, it is hoped, may prove to be only temporary ; and Sir ROUNDELL PALMER, who had shortly before discharged with great ability the functions of English Counsel at Geneva, succeeded, under the title of Lord SELBORNE, to the office for which he had been designated by the unanimous opinion of the Bar and of the general community. It was fortunate that a nomination borough had furnished the opportunity of a Parliamentary career to the acknowledged leader of the profession at the Bar and in the House of Commons.

Any deficiency of interest which may have characterized the different elections has not been supplied by the innumerable speeches which have been delivered by Members of Parliament. In Scotland, and more recently in Wiltshire, Mr. LOWE was lively and amusing, but he might, perhaps, have been more prudent if he had abstained from arousing the delicate susceptibilities of Irish patriotism. Of the future policy of the Government he wisely spoke in the vaguest language ; and Mr. STANSFELD and Mr. GOSCHEN have on different occasions confined themselves to intimations of the unexhausted energy of the Liberal party and the Government. Mr. GLADSTONE has, with excellent judgment, refrained from public speeches ; and Mr. DISRAELI was prevented from speaking at Glasgow, where he had been lately elected Lord Rector of the University, by a domestic calamity which has commanded universal sympathy. The failure of last year has not encouraged the revival of a Republican agitation, and the demagogues who from time to time, on various pretences, interrupt the public enjoyment of Trafalgar Square or Hyde Park have addressed their declamations to scanty assemblages of the lowest rabble. It is prudent not to underestimate the extent to which social and political disaffec-

tion may prevail, but a time of flourishing industry and of high wages is not favourable to revolutionary manifestations. The next General Election will show whether the subversive faction has yet attained political importance. In the meantime the issues on which parties are to be hereafter divided will have been more clearly defined. One ancient institution seems, if public expressions of feeling may be trusted, to be still deeply rooted in general affection. With a sound appreciation of the national sentiment, the QUEEN resolved to celebrate by a solemn ceremony the recovery of the Prince of WALES from his dangerous illness. In accordance with the custom of former times, a Thanksgiving Service was held in St. Paul's, and the QUEEN, the PRINCE, the Royal Family, and the dignitaries of State went in procession to the Cathedral. The crowd assembled to see the spectacle was probably the largest that has ever been collected, and the display of attachment to the CROWN was not disturbed by any untoward accident; for the attempt by O'CONNOR, a half-witted boy, to intimidate the QUEEN on the following day excited no sentiment but ridicule. It would be unwise, if it were possible, to analyze closely the motives which induce a multitude to attend a gorgeous pageant; but the anxiety which was expressed during the illness of the Prince of WALES, and the relief which was felt as the danger gradually disappeared, added meaning and reality to the welcome which greeted himself and his family on the 27th of February.

Some of the results of the legislation of last Session are thus far satisfactory. The provisions of the Licensing Bill which were subject to the discretion of Justices have been generally enforced in accordance with the spirit of the Act; and although disturbaner have been created in two or three Provincial towns,

drunkenness and disorder have sensibly decreased. Even if the interests of dealers in liquor were of paramount importance, it is difficult to believe that they can have suffered serious loss by a limit of hours which must greatly conduce to their own personal comfort. To the general community it is no small advantage that the streets of towns are now quiet and almost deserted for an hour before midnight. The Excise Returns, which confirm their own experience, may console the publicans by the fact that, notwithstanding the enactments of the Licensing Bill, the consumption of alcoholic liquids has largely increased. If Mr. BRUCE deserves credit for the Licensing Bill, Mr. CARDWELL may be congratulated on the success of the Autumn Manœuvres in Wiltshire. Competent military critics have expressed various opinions as to the skill displayed in the operations ; but there can be no doubt that the manœuvres enable officers and soldiers to acquire valuable knowledge. There is also reason to believe that personal acquaintance with the Army produced a marked effect in removing rural prejudice. The soldiers were from first to last on the best terms with the local population, and their exemplary conduct was generally recognized. The Admiralty, as usual, has supplied materials for a controversy as to the efficiency of the Navy. Mr. REED has pledged his high authority to the proposition that the English Navy is falling behind in the competition of shipbuilding for warlike purposes. Mr. GOSCHEN has on several occasions controverted the statements of Mr. REED ; and it is satisfactory to learn that the Chief of one of the two great War Departments fully recognizes the necessity of relying on superior force, even in the days of philanthropy and international arbitration.

Colonial affairs have contributed but little to the history of the year. The Imperial Government has, in consideration of some of the stipulations of the

Treaty of Washington, undertaken to assist the Dominion of Canada by a guarantee in raising funds for the construction of a railway across the Continent. The Dutch Settlements on the Western Coast of Africa have been acquired by a Treaty with the Government of the Netherlands, for the purpose of removing the complications which resulted from the intermixture of Dutch and English territory. After long deliberation the system of responsible Government has been extended to the Cape, notwithstanding the difficulties which arise from differences of language and race. On a balance of considerations the policy of the Colonial Office is probably sound, although the objections to the measure were plausible and weighty. In India a tragic catastrophe produced universal regret. After visiting the camp of exercise at Delhi, and receiving the King of SIAM at Calcutta, the VICEROY, on his way to Burmah, was murdered at Port Blair, in the Andaman Islands, by an Afghan convict. The crime, although there was at first some suspicion of a Mahomedan conspiracy, appeared to have been prompted by personal fanaticism and desperation. The public loss which had been suffered in the death of Lord MAYO was deeply felt both in India and in England. In offices of secondary rank at home he had acquired the reputation of a man of business; but the selection of Lord MAYO as Viceroy of India excited general surprise. It was soon found that Mr. DISRAELI had formed an accurate judgment of his friend and colleague. With his new opportunities, Lord MAYO displayed the qualities of a statesman and ruler. Indefatigable in business, considerate to his subordinates, and anxious to profit by their special knowledge, Lord MAYO, by his character and demeanour, exercised a strong personal influence over English officials and over natives. His maintenance of the

splendour and dignity of the Viceregal Court was generally approved ; and in more important matters, as in the re-establishment of a financial equilibrium, he displayed vigour and decision. It is even more essential that a Governor-General should be active, resolute, and capable of command, than that he should possess extraordinary intellectual ability. Lord NORTHBROOK, who succeeded Lord MAYO as Viceroy, though he has never sat in the Cabinet, has acquired almost unequalled official experience as Under-Secretary for nearly all the great departments in succession. Since his arrival in India he has been busily engaged in acquiring the local knowledge which is indispensable ; and there is at present reason to hope that his term of office may be successful and prosperous. Additional demands on Indian statesmanship will be caused by the approach of Russia to the borders of the Native States which cover the Indian frontier. The Russian authorities have concluded a commercial treaty with the ruler of the Mahomedan kingdom in Eastern Turkestan which has recently detached itself from the Chinese Empire. At the same time, an expedition was despatched to invade Khiva ; and an Envoy from the KHAN applied for the mediation of the Viceroy of India. Lord NORTHBROOK could but reply by advising the KHAN to comply with the just demands which a civilized Power can always prefer against a barbarous neighbour. It is impossible for England to undertake the protection of lawless Chiefs in the remote regions of Central Asia, and in this particular case the Russian complaints may probably be well founded. In some of the journals of Moscow and St. Petersburg Lord NORTHBROOK's reception of the Envoy was insolently described as an affront to Russia, and the same organs habitually avow and exaggerate the hostile tendency of the Russian conquests. Whatever the result of the present Khiva

Nar, the eventual annexation of the Khanate to the Russian dominions may be regarded as inevitable. In India, although territorial extension has ceased, petty wars to restrain and punish the aggressions of frontier tribes are from time to time unavoidable. Early in the year the Looshai Expedition was brought to a successful termination. Internal peace was for a moment disturbed by an outbreak of the followers of a seditious Hindoo prophet in the Punjab, but the attempt was immediately repressed, and the offenders were punished with an excessive severity which was disapproved by the Government.

One of the most eminent among retired Indian civilians has lately been sent by the Foreign Office on a mission to Zanzibar for the purpose of discouraging or suppressing the Slave Trade in the north-eastern parts of Africa. The atrocities which are practised by the Indian traders on this coast and by the Arab slave-hunters in the interior have attracted special attention, in consequence of the representations of Dr. LIVINGSTONE, whose communication with the civilized world has been unexpectedly resumed. Some months ago the present proprietor of the *New York Herald* instructed Mr. STANLEY, one of the Correspondents of his journal, to find LIVINGSTONE if possible, and the commission was discharged with extraordinary energy and perfect success. Dr. LIVINGSTONE's geographical researches during his long residence in the interior of Africa have hitherto produced little definite result, but his protests against the misery inflicted on the native tribes by the slave trade have been the determining cause of the mission of Sir BARTLE FRERE. Two questions of higher importance and greater urgency have taxed to the utmost the diplomatic ability of the FOREIGN SECRETARY and the Government. Notwithstanding many drawbacks, it is well that a new Com-

mercial Treaty with France has been negotiated, and that pending disputes with the United States have been settled by the Awards of Geneva and Berlin. The large concessions which were contained in the Treaty of Washington had been supposed in both countries to have furnished full satisfaction for all real or imaginary grievances which could provide the United States with matter of complaint. The Alabama Claims had been referred to arbitration under new rules of international law, which were, according to an express provision of the Treaty, to have a retrospective operation. The Counter-Claims of the English Government had been peremptorily rejected by the American Commissioners, and their English colleagues had at once acquiesced in the refusal. Unfortunately, it occurred to those who conducted the litigation on the part of the United States that the patience of the English Government and nation might, perhaps, not yet have been exhausted. While the English agents were employed, in conformity with the provisions of the Treaty, in compiling a dispassionate statement of facts and legal arguments, the American Government issued a volume of declamatory vituperation against England, including personal attacks on the most eminent English Statesmen. The bad temper and bad taste of the American "Case" would have been passed over without formal notice, but for a demand—which was shown by internal evidence to have been inserted by an afterthought—of damages for a supposed deterioration of the value of American shipping, for an increased rate of insurance, and, finally, for the whole expenses of the Civil War, from the battle of Gettysburg to the close. The extreme amount demanded was not less than three or four hundred millions ; and the claim was the more offensive if, as was afterwards alleged, it was not seriously made. The authors of the

claim soon found that they had overreached themselves and their clients. The substance of the "Case" transpired before the end of 1871; and early in January the text became known, to the astonishment of both countries, and produced an indignant and immutable determination on the part of the whole English people to refuse any reference of this exorbitant demand to arbitration. In the negotiations which followed, Lord GRANVILLE, with the support of his colleagues, displayed steady resolution, accompanied by a conciliatory disposition, which was, perhaps, a still stronger proof of firmness. The Government never wavered either in its refusal to refer the Indirect Claims or in its desire to save the Treaty, if possible, from an apparently imminent collapse. When, after one or two adjournments, the Arbitrators met at Geneva in the month of June, the English Agent declined to take part in the proceedings until the Indirect Claims were withdrawn. On an intimation from the Arbitrators that no claim of the kind could in any case be supported, the American Agents, after consulting their Government, withdrew the demand, and, the only impediment being removed, the arbitration proceeded. On the 14th of September damages were awarded by a majority of the Arbitrators to the amount of about £3,000,000, for the depredations committed by four of the ten or twelve cruisers of which complaint had been made. The liability was held to attach under the retrospective rules; but the LORD CHIEF JUSTICE of ENGLAND, the only eminent lawyer of the Tribunal, while he concurred in the judgment with respect to the Alabama, in an elaborate judgment of extraordinary learning and ability exposed the fallacies which had, in his opinion, imposed on his colleagues; and he took occasion both to criticize the provisions of the Treaty and to inflict a deserved censure on the discourtesy and inaccuracy of some

of the American Counsel. A month later the German EMPEROR published an award on the San Juan dispute, which was also unfavourable to England. By the terms of reference his decision was restricted to the alternative of the two channels which respectively adjoin the American mainland and the coast of Vancouver's Island. It was not competent to the Arbitrator to select an intermediate boundary through any of the straits which intersect the San Juan group of islands. The Haro Channel, which, under the EMPEROR'S Award, now forms the boundary, is the shortest route from the Straits of Fuca to the open sea ; and the English negotiators of 1846 are mainly responsible for the ambiguity which has now been authoritatively removed. The material loss to England or to the Dominion of Canada is probably inconsiderable, for the navigation of the Channel will be open during peace, and in time of war no Treaty or Award would interfere with the occupation of the channel and the islands by whichever Power chanced to be stronger on the spot. Whether recent experience is likely to promote or to discourage reference to International Arbitration is a question only to be solved hereafter. The irritation which had been for several years cultivated by the United States against England was appeased by the concessions of the Treaty of Washington rather than by the Award of Geneva. The San Juan question was eminently suited for arbitration, nor is there any novelty in the mode of decision. Thirty years ago the disputed boundary between Maine and Canada was referred to the King of the NETHERLANDS, though it is true that the American Government refused to abide by his award. A boundary question between the English and Portuguese possessions on the Eastern Coast of Africa has lately been referred to the PRESIDENT of the FRENCH REPUBLIC. In earlier times references to arbitration were of constant

occurrence. The Lord Paramount or the Pope, indeed, might in some instances be regarded rather as a judge than an arbitrator, especially as they had often temporal or spiritual means of enforcing their sentences ; but it was also usual to refer the gravest disputes to independent arbitrators chosen by the contending parties. HENRY III. and his Barons referred their quarrel to ST. LOUIS of France, and EDWARD III. acted as arbitrator between CHARLES of ANJOU and PETER of ARAGON when they preferred conflicting claims to the Crown of Sicily.

The controversy on the Treaty and the Arbitration excited less interest in the United States than in England, although moderate and intelligent American politicians openly censured the litigious proceedings of their Government. The general attention was concentrated on the Presidential contest, even when the result had, in the course of the Summer, been rendered certain by Republican victories in several principal States. No President, with the exception of Mr. LINCOLN, had been re-elected within the memory of the present generation ; but General GRANT'S great military services seemed, in the absence of any formidable competitor, to give him a claim to the renewal of his term. It was known that he was himself desirous of re-election, and his opponents alleged that his choice of political allies and his disposal of patronage had been influenced by his anxiety for electoral support. His popularity had declined through the operation of various causes, and chiefly, perhaps, by the lapse of time. After an unsuccessful attempt at the commencement of his Presidency to choose his Ministers and determine his policy independently of the leaders of his party, General GRANT finally allowed political jobbers in the Senate and the House of Representatives to distribute the patronage of the Government among their own supporters and favourites. The administration of

public affairs was probably not more corrupt than under previous Presidents, but opinion had become more enlightened, and the exposure of the frauds in the City and State of New York had produced a strong reaction against the mischievous system which was introduced many years ago by General JACKSON. General GRANT'S most conspicuous adherents had thwarted all schemes for the reform of the Civil Service, and it was thought that the PRESIDENT himself was indifferent to the abuses which have been promoted by all parties in turn. A small section of the Republican body, represented in the Senate by Mr. SCHURZ, took every opportunity of attacking the PRESIDENT and his Ministers. Mr. SUMNER discredited the movement, which he joined, by a characteristic exhibition of personal hostility to General GRANT; but the malcontents, assuming the title of Liberal Republicans, thought themselves strong enough to hold a Convention of their own at Cincinnati for the nomination of a Presidential candidate. It was obviously their interest to select a nominee who should be at the same time personally fit for the highest office in the Republic and not unacceptable to the large Democratic minority. The only pretext or meaning of the secession consisted in the dislike of the Liberal Republicans for the prevailing system, which allows jobbers and election agents to dispose of public offices without regard to competency or merit. Mr. SCHURZ and the more respectable members of the party supported Mr. ADAMS, who would, if he had been nominated, have united the votes of the Reformers and of the entire Democratic party. Yet it seems impossible to manage a Convention except by the customary manoeuvres of professional managers. A few skilful manipulators of elections had contrived to pack the Convention so as to secure the preposterous nomination of Mr. HORACE GREELEY; and after the usual succession

of tentative ballots, a majority of the delegates declared themselves in his favour. As editor of the *New York Tribune*, Mr. GREELEY had won reputation and influence by his vigour and natural ability, and he had been one of the earliest and most consistent opponents of slavery ; but he had the defects as well as the merits of a self-taught man. His knowledge of history, of politics, and of economy was utterly superficial, and his unstable judgment exposed him through life to incessant delusions. The popularity which he had acquired by his sincere participation in the feelings and prejudices of the typical American recommended him to the choice of the Cincinnati managers. It was thought that as a Protectionist, an Abolitionist, and an habitual declaimer against England, he would win the suffrages of a large Republican section, nor was it forgotten that he had established a kind of claim on his life-long adversaries of the Democratic party. At the beginning of the Civil War he had recommended that the seceding States should be allowed to "go in peace ;" he had at a later period endeavoured to negotiate a compromise between the belligerents, and after the close of the struggle he had generously given bail for Mr. JEFFERSON DAVIS. With the movement for political and official reform which had strangely resulted in his nomination Mr. GREELEY had not the smallest sympathy, and, consequently, many of the promoters of the Cincinnati Convention either stood aloof during the contest or transferred their support to General GRANT. The Democratic Convention at Baltimore, probably acting under a mistaken impression as to the strength of the Liberal Republicans, adopted the nomination of Mr. GREELEY ; but many members of the party publicly dissented from the vote, and the remainder were probably lukewarm in their support of an ancient political opponent. The Autumn elections in Pennsylvania and in

other important States showed that the Republicans, who had in their Convention at Philadelphia unanimously nominated General GRANT, commanded an irresistible majority. The coloured voters of the South, notwithstanding the appeals of Mr. SUMNER and the services formerly rendered to their cause by Mr. GREELEY, declined, with a sound instinct, to ally themselves with the Democrats. At the appointment of Presidential electors in November every Northern State, including New York, voted for General GRANT, and for Mr. WILSON, who was the Philadelphia nominee for the office of Vice-President, and only in six Southern States were the Democrats strong enough to return a majority for GREELEY. The contest had been conducted with a virulence which spared neither public nor private character ; but when it was known that, perhaps in consequence of fatigue and excitement, Mr. GREELEY had died two or three weeks after the election, the feeling of sympathy and regret was deeper and more genuine than the ostensible animosity which had been assumed for the purposes of the election. Two conspicuous American citizens had died shortly before Mr. GREELEY. General MEADE performed good service during the war as Chief of the Staff under General GRANT, and it happened that he commanded at Gettysburg, where a drawn battle proved in its consequences to be decisive of the fate of the war. Mr. SEWARD was earlier and more widely known as an opponent of slavery, as a popular orator, and as Secretary of State to Mr. LINCOLN and to Mr. ANDREW JOHNSON. Two phrases which for a time became almost proverbial in the United States illustrated Mr. SEWARD's political insight and his felicity of language. It was his suggestion that there was a "higher law" than the Constitution of the United States, and he was the first to announce that the struggle between the slaveowners and the Aboli-

tionists was "an irrepressible conflict." In his voluminous diplomatic correspondence Mr. SEWARD was copious, ingenious, and, in accordance with the traditions of his Department, habitually overbearing. It is possible that he may have sometimes intimidated and even that he may occasionally have convinced a foreign Government, but he never conciliated an opponent nor facilitated a concession in his own favour. His last public act was the negotiation of Mr. REVERDY JOHNSON'S Treaty, which was rejected by the Senate in consequence of the unpopularity of the PRESIDENT, which had finally extended to the Secretary of State. In his recent Message to Congress General GRANT was justified in congratulating the Legislature and the country on the increase of population, on the great reduction of the debt, and on general tranquillity and prosperity.

The neighbouring Republic of Mexico has suffered a loss during the year in the death of JUÁREZ, whose term of office as President had only been interrupted by the episode of the French invasion and the Empire. The fact that JUÁREZ was a full-blooded Indian is not without ethnological importance, as he undoubtedly possessed some of the qualities of a ruler and a statesman. In a corrupt society the President's personal integrity was undisputed, and his prolonged tenure of office implied a check on the prevailing anarchy. In Cuba the chronic insurrection still smoulders, and the Spanish Minister refuses to take measures for the abolition of slavery until the rebellion is suppressed. The constant drain of troops to the island is one among many causes of the weakness of the Mother Country. Spain is still distracted by the squabbles of factions, which, with the exception of the party which may from time to time be in power, agree only in common disaffection to the actual Government. In the early part of the year

SAGASTA obtained the consent of the KING to a dissolution of the Cortes, and at the general election the Minister obtained by extraordinary official exertions an overwhelming majority; but soon afterwards a Carlist insurrection in the Northern Provinces, and the general discontent provoked by the corrupt management of the elections, caused the resignation of SAGASTA. Marshal SERRANO and Admiral TOPETE, who succeeded to office, thought it necessary to suspend the constitutional guarantees of liberty, but the KING positively refused his consent, and authorized ZORRILLA to form a Progressist Ministry. Another general election, in which the constituencies were allowed a freer exercise of the franchise, illustrated the unsatisfactory working of representative institutions in Spain. Not only was the former verdict of the country reversed, but the leaders of the Moderate party, including SAGASTA and SERRANO, were excluded from the Cortes; and ZORRILLA has since been seriously embarrassed by the absence of an Opposition. The hostile factions refuse to acknowledge either the decision of the constituencies or the title of the dynasty. The number of Pretenders is reduced to two by the adhesion of the Duc DE MONTPENSIER to the claim of his nephew DON ALFONSO. The Republicans are temporarily weakened by the secession of the extreme Anarchists, who proclaim the expediency of immediate rebellion with a view to the subversion of society. Isolated attempts to apply their principles by murderous outbreaks at Malaga and other places have been happily defeated, but the Government, which has still not finally repressed the Carlist disturbances in the North, is greatly embarrassed by the numerous demands on its military resources. Two attempts to assassinate King AMADEO may be confidently attributed to the extreme Republican faction: but the partisans of both the rival Pre-

tenders are loud in their denunciations of the gallant foreign Prince who trusted to the honour of the Spanish people when he accepted the invitation of their Cortes. In Italy the quarrel between the Government and the POPE continues, although impatient patriots frequently accuse the Government of unworthy concessions to ecclesiastical pretensions. The Ministry has lately accepted an amendment to one of its Bills directly withholding legislative recognition from the General of the Jesuits ; and although a school conducted by an American Protestant has been closed on the ground of non-compliance with legal conditions, no serious check seems to be placed on the Anti-Catholic propagandism, which is naturally offensive to the POPE and the clergy. The most remarkable event in Italian history during the year has been the death of MAZZINI. Although the task of his life was virtually accomplished, against his wishes and protests, by the establishment of the Kingdom, MAZZINI'S countrymen never forgot that his crusade of forty years had powerfully contributed to the liberation of Italy. A nature rather of a prophet and poet than of a politician exempted him from the vulgar foibles of a demagogue. Even his religious enthusiasm, though it was vague and unintelligible, was undoubtedly sincere. In his latter years he constantly denounced in eloquent language the materialism of the Comtists, and the anti-religious fanaticism of the French adherents of the Commune. In England, to which he was strongly attached, as well as in Italy, he was attended by the loyal affection of many disciples. The little kingdom of Greece has only attracted notice through a diplomatic dispute with France and Italy relating to the terms of a contract for working the mines of Laurium, in Attica. The question is whether material thrown aside as refuse in ancient times, but capable of being smelted by modern pro-

cesses, is or is not included in a Government concession of the mines to a French and Italian Company. A profound distrust of Greek Assemblies and Greek Courts of Justice may, perhaps, justify the Governments of France and Italy in demanding arbitration on an issue which would seem rather fit for a local tribunal. An inquiry into the merits of the case would be the more unprofitable as it may be confidently anticipated that the demands of two Great Powers will not fail to obtain ultimate satisfaction. The politics of Turkey consist, as usual, of a succession of obscure intrigues. Three or four changes of Ministry within the year are generally attributed to the personal feelings of the SULTAN and to the influence of the Russian Ambassador. It is well known that the SULTAN wishes to substitute the hereditary transmission of his Throne to his own descendants for the Ottoman custom, in virtue of which he himself succeeded. The Oriental practice of preferring a brother or a nephew to a son is in many respects inconvenient, but a change of system would probably involve the result of a disputed succession.

No events have occurred in the minor States of Europe which possess any considerable political importance. CHARLES XV., an able and ambitious Prince, has been succeeded on the Throne of Sweden and Norway by King OSCAR II. A new Swiss Constitution, which had been elaborated with the utmost care, was finally rejected both by a popular and by a cantonal vote, on the ground of its tending to increase the power of the Central Government. In Switzerland also, as in Germany and Italy, the POPE has contrived by a petty aggression to provoke remonstrance and opposition. The general peace of Europe seems not to be exposed to any present danger. Austria is, as usual, involved in discussions of Constitutional changes, which may, perhaps, hereafter tend to a practicable compromise

between Provincial rights and Federal authority. Count LONYAY has been succeeded as Prime Minister of Hungary by Count SALAVY, but no other change has been made in the Cabinet. The foreign relations of the Monarchy have become more satisfactory. At the beginning of September the Emperors of AUSTRIA and RUSSIA visited the German EMPEROR at Berlin, and their respective Ministers held conferences on matters of greater or less urgency. The results of the meeting have not been made public, and it may be conjectured that the courtesies exchanged among the three great potentates, and especially between the Emperors of RUSSIA and AUSTRIA, constituted, as proofs of an amicable sentiment, the most important result of the Congress. The triumph of Prussia over Austria in 1866 has had the singular effect of removing the causes of jealousy which previously existed ; and it is for the interest of Germany to promote, as far as possible, a friendly understanding between two Powers, either of which, in case of dissension, might possibly cultivate the alliance of France. The domestic politics of Germany have been moulded by unforeseen consequences of the events of 1870 and 1871. The great statesman who chiefly created the unity of Germany has found himself compelled to engage in contests both with the Roman Catholic Church and with the Prussian aristocracy. The measure for the expulsion of the Jesuits, which Prince BISMARCK carried with the cordial aid of a great majority through the German Parliament, is so inconsistent with the received political doctrines of modern Englishmen that, if it had been the act of a weak or capricious Minister, it would have been unanimously condemned as impolitic and unjust. The dogma of Papal Infallibility seems to be as entirely devoid of practical importance as it is theoretically incredible or unmeaning. The Æolus of the Vatican is at liberty

to disport himself at pleasure in his spiritual hall, while temporal matters are determined according to human motives and interests. Nevertheless, a political necessity which is recognized by a large and intelligent part of the German community cannot be treated as imaginary; and Prince BISMARCK has earned a right to respectful consideration for any policy which he may deliberately adopt. The attack on the Ultramontane party was commenced almost simultaneously in the two Parliaments which respectively represent Prussia and Germany. By a Prussian Bill, which Prince BISMARCK carried through the Upper House with some difficulty, the control of primary education was transferred from the clergy of both Churches to the State authorities; and in the German Parliament the CHANCELLOR, not content with his success in parrying or returning isolated assaults, struck without hesitation at the chief promoters of ecclesiastical disaffection. Administrative measures were adopted against Bishops who had in defiance of law published excommunications, or who had libellously attacked the Government in sermons and prayers, and against the Jesuits, who both prompt and execute the designs of the Holy See, and who have constantly used their great influence to thwart the union of Germany under a Protestant dynasty. The French declaration of war in 1870 was in a great measure the result of clerical intrigues, and since the establishment of the German Empire the Ultramontane party have used all their influence in Bavaria, in Würtemberg, and in Posen to impede the consolidation of unity. Mr. MUHLER, Prussian Minister of Public Instruction, although he was himself a zealous Evangelical, had on general grounds of religious sympathy countenanced the pretensions of the Roman Catholic clergy; and to the gratification of the great majority of the educated classes, he now found it necessary to

retire from office. An Ultramontane Cabinet, suddenly constituted, in consequence, as it was thought, of a personal pique by the King of BAVARIA, was unable to maintain itself in power ; and it seems that the measures of the German Government have been generally approved by public opinion. The Prussian House of Lords was less favourable to the policy of the CHANCELLOR, who found it necessary, in the prosecution of his contest with the Roman Catholic Church, to lean more and more on the support of the Liberal party. As a pledge of his alliance, and in conformity with his own views of administrative expediency, Prince BISMARCK carried through the Prussian Lower House a Bill for the local organization of the Eastern Provinces of the old Monarchy, by which the privileges of the nobility in their respective districts were largely curtailed. There is no reason to suppose that their hereditary powers had been abused, or even that they were generally unpopular ; but the transfer of some of their judicial and administrative functions to elected representatives of the community could not be plausibly resisted. The House of Lords, conscious of great services rendered by the aristocracy to the CROWN and country, and confident, perhaps, in the well-known attachment of the KING to their Order, rejected the Ministerial Bill by a large majority. It could not be expected that Prince BISMARCK would acquiesce in defeat, nor is the KING, as the EMPEROR is still called in relation to Prussian affairs, accustomed to the opposition of his own devoted friends. The Parliament was immediately prorogued and re-summoned to enable the Government to introduce the Local Administration Bill in a slightly amended form ; and it was publicly announced, as in the days of the English Reform Bill, that any number of Peers which might be required to secure the success of the measure would

be unhesitatingly created. The EMPEROR, probably, like our WILLIAM IV., exercised his personal influence over the members of the House, who were also alarmed by rumours of a proposed reconstitution of their Assembly, which has since been, perhaps, only postponed. The amended Bill was carried by a majority of the House which had previously rejected it, but 25 Peers, all men of rank and position, had already been created. Prince BISMARCK since winning this victory has resigned the presidency of the Prussian Cabinet, retaining his office of German Chancellor, and continuing to administer the foreign affairs of Prussia, which are, indeed, indistinguishable from those of the Empire. It is also provided that on German matters he may vote by deputy in the Prussian Cabinet. It is understood that Prince BISMARCK was dissatisfied with the equality between himself and his colleagues, which resulted from the habit of the Kings of PRUSSIA of acting as their own Prime Ministers. The EMPEROR is apparently not disposed to abandon at once the established practice, as he has accepted Prince BISMARCK's resignation and appointed Count ROON, the celebrated Minister of War, as his successor. The control of Prussian policy by the German CHANCELLOR will, perhaps, not be materially affected by his nominal change of office.

The resolute and pliant dexterity of the aged statesman who still governs France has been exposed in the course of the year to many difficult tests ; but amidst minor alternations of victory and defeat, the Republican form of Government has, both by its own continued existence and through the absence of competitors, gradually become more consolidated. The ORLEANS Princes had been repelled, on the eve of their voluntary recognition of the Comte DE CHAMBORD's title, by his obstinate determination to retain the flag which is the symbol of hereditary and indefeasible right. For them-

selves the Princes of the younger branch have never assumed the attitude of Pretenders ; and for the present there appears to be no general desire for the re-establishment of Royalty. The majority of the Assembly has by the disappointment of its monarchical aspirations been restored to independence and activity, while it has been reinforced by the alliance of the Moderate Republicans. The PRESIDENT, who had long before declared that for the present, at least, it was necessary to accept the Republic, has consistently expressed his readiness to co-operate with any party which would assist him in strengthening and improving existing institutions. While he still retains the support or neutrality of the Left by his determined maintenance of the Republic, there is reason to hope that recent concessions on either side may enable him to accomplish the changes which he considers necessary by the legitimate machinery of a Parliamentary majority. In the early part of the year M. THIERS still relied for the success of his policy on the indispensable nature of his services. When he was defeated on a proposal, to which he has clung with singular pertinacity, for imposing a tax on raw materials, he was only induced to withdraw his resignation of the Presidency by the almost unanimous request of the Assembly ; yet there were visible symptoms of an increased tendency to opposition, and it was evident that the threat of resignation might, if it were too often repeated, lose its efficacy. Debates became more animated and more violent ; the Assembly rejected a proposal that it should return to Paris, and it also determined that the members of the Council of State should not be appointed by the Executive Government. M. CASIMIR-PERIER resigned the Ministry of the Interior, and declared himself a Moderate Republican ; and in consequence of a dispute with the Keeper of the Seals, M. POUYER QUERTIER, who

had been the most active supporter of the PRESIDENT's Protectionist policy, retired from the administration of the finances. In the Summer the fortunes of the PRESIDENT appeared to be once more in the ascendant. Notwithstanding the popularity both in the country and in the Assembly of the German system of universal military service, M. THIERS carried, by his personal influence and authority, a Bill which virtually re-established the French practice of conscription. He also, after an exciting discussion, induced the Assembly to revoke its former resolution by adopting his favourite tax on raw materials. It was, in truth, worth while to retain the services of the PRESIDENT even at the cost of a temporary compliance with his erroneous economical theories. At the end of June he concluded a Supplementary Treaty with the German Empire for the immediate payment of £40,000,000, to be followed by the evacuation of six of the occupied Departments. Another instalment of the same amount will be paid in the ensuing Spring, and it is hoped that the evacuation will be finally completed in the early part of 1874. In August a loan of £120,000,000 was covered many times over by subscriptions, and although the tenders were in a great degree only nominal, the large deposits and instalments which have since been paid illustrate the wealth of France, notwithstanding the losses occasioned by the War. The lull of political excitement which followed the adjournment of the Assembly in August was rudely disturbed by a speech delivered by M. GAMBETTA at Grenoble in the beginning of October. Some surprise was caused by the universal irritation and alarm produced in France by expressions which would have been regarded in England either as familiar commonplaces or as rhetorical exaggerations; but the keynote of GAMBETTA's speech was to be found in his declaration that political power must be trans-

ferred to a new social stratum. In other words, he was supposed to mean that the exclusive supremacy of artisans and labourers, which had been the chief object of the insurrection of the Commune, was to be established by a Democratic Assembly after the necessary preliminaries of a Dissolution. The anxiety of the Moderate Party was increased by the success of Democratic candidates in several elections during the month of October ; and in the presence of a common danger, all the fractions of the Right, including the Imperialists, combined for the first time as a Parliamentary party. The Duc D'AUDIFFRET-PASQUIER, who had on several occasions displayed great ability in debate, became the virtual leader of the party, and the Duc DE BROGLIE took a leading part in its councils. On the 11th of November the PRESIDENT addressed to the Assembly a Message which seemed to indicate a leaning to the Left ; and in answer to the Duc DE BROGLIE he angrily repudiated any responsibility for the language which had been used at Grenoble. General CHANGARNIER fiercely attacked GAMBETTA for his revolutionary declarations, and, finally, a vague resolution was carried with the assent of the Government, while the majority expressed their dissatisfaction by abstaining from voting. After some discussion between M. THIERS and the Committee which considered the Address, a resolution moved by M. DUFFAURE for the appointment of a Committee on Constitutional changes was carried by a small majority ; but a few days later the Assembly passed a vote of censure on M. VICTOR LEFRANC, Minister of the Interior, who had in direct violation of the law, while he probably supposed that he was acting in conformity with the wishes of the PRESIDENT, received through the Prefects addresses in favour of Dissolution from Councils-General, which are legally prohibited from interfering in politics. M. LEFRANC immediately

tendered his resignation, which was accepted by the PRESIDENT. He was succeeded by M. DE GOULARD, a moderate Conservative, and further concessions were made to the majority by the appointment of M. DE FORTOU to the Ministry of Public Works, and of M. LEON SAY to the Ministry of Finance. Of a Committee of thirty members, appointed in pursuance of the motion of M. DUFAURE, two-thirds belong to the Right ; but it is understood that the Duc D'AUDIFFRET-PASQUIER has satisfied the PRESIDENT that the majority provisionally accept the Republic as indispensable, and that it is willing to concur in the improvement of the existing Constitution. After various hesitations and partial disputes, the majority of the Committee and of the Assembly is believed to have arrived at an understanding with the Government. M. THIERS will obtain both the prolongation of his power for four years and the establishment of a Second Chamber, to which he attaches great importance ; and the majority of the Assembly has enforced Ministerial responsibilities in the case of M. LEFRANC, while by the extension of the term of the Presidency and by the creation of a Second Chamber it will have conspicuously asserted the constituent power which it has always claimed. The question of Dissolution is postponed for the present by the Government, though it is demanded with questionable sincerity by the Left. After much negotiation the English Government has consented to the renewal, in a modified form, of the Commercial Treaty of 1860. It is agreed that the French duties on English imports may be increased by an amount corresponding to the domestic tax on raw materials, and a joint Commission is now engaged in settling the details of the tariff. The French Government may, perhaps, be embarrassed by a provision in the law by which it is prohibited from levying the duty on raw materials as long as

the existing Commercial Treaties are in force ; but the PRESIDENT has frequently expressed a confident belief that the Treaty Powers will be induced to waive their strict rights in favour of France.

Economic purists in both countries have objected to the new Commercial Treaty as a retrograde measure ; but, on the whole, the decision of the English Government is supported by public opinion. In return for a concession which could not have been withheld without causing a certain amount of bad feeling, equality of treatment has been secured to the English flag in French ports ; the objectionable prohibition of English export duties on coal has been rescinded ; the alcoholic test of wines is no longer obligatory ; and, above all, a perpetual right to the privileges of the " most favoured nation " has been conceded by France to England. Notwithstanding an increase of duties, which may probably be only temporary, Lord GRANVILLE'S Treaty is more unobjectionable than Mr. CORDEN'S ; yet the policy of the original arrangement has been justified by the rapid diffusion in France of sound principles of economy. Indeed, but for the just deference which is paid to the PRESIDENT, the Assembly would not have consented to " denounce " the former Treaty

1873.

The year which ends to-day has, in England, been generally prosperous and tranquil. Frequent rearrangements of the Money-Market, produced by external causes, have passed over without disastrous results. The enormous payments made by France to Germany on account of the Indemnity have produced little disturbance ; but the German demand for the establishment of a gold coinage has sometimes caused inconvenient pressure. The reaction

from a period of excessive speculation produced serious embarrassment on the Stock-Exchanges of Berlin and Frankfort, and at Vienna the difficulty amounted to a panic. In the autumn a still graver crisis commenced in the United States with the failure of more than one Bank which had commanded general confidence. The immediate cause of stoppage was the investment in railway construction of an undue proportion of capital, and the immediate consequences were alarming. For a short time all the Banks virtually suspended payment, except in the form of certified checks. The moderation and prudence of the commercial community, and the intrinsic soundness of the Banks themselves, facilitated an early resumption of payments, and the financial crisis is, apparently, at an end ; but every kind of enterprise has been seriously discouraged, and the interruption of trade and the diminution of the demand for labour will probably cause much distress during the winter. The effect of foreign disturbances has in England been indicated by rapid changes in the value of money, but timely vigilance has on all occasions provided against impending scarcity. The Bank rate of discount was reduced early in the year from 5 per cent. to $4\frac{1}{2}$ and to $3\frac{1}{2}$. In May it rose to 5, in June to 6 and 7 per cent. At the end of August the rate was 3 per cent. ; in September and October it rose again to 7 per cent., and in November to 9, from which it has since fallen to $4\frac{1}{2}$. Trade in general has been moderately active, though the rate of increase has been diminished ; and there are symptoms of a decline in the exorbitant price of coal, which affects every department of industry as well as domestic economy and comfort. The conflict between workmen and their employers still causes inconvenience and anxiety. In the middle of last winter the strike of 10,000 ironmasters' colliers in Glamorganshire and Monmouthshire reduced a

population of 60,000 ironworkers to compulsory idleness. The margin of wages in dispute was inconsiderable ; but the masters refused to negotiate with the representatives of the 'Trades' Unions in the North, who had assumed the direction of the struggle. After a time one of the largest employers, embarrassed, probably, by heavy pending contracts, conceded the demands of the men. The other ironmasters obtained a nominal victory by inducing the workmen to accept for two or three weeks a reduced rate of wages on the understanding that an increase would be granted at the end of the term. The vexation and annoyance which are inflicted on manufacturers and masters by the exigency of the Unions have lately induced many of the largest industrial capitalists to establish a National Federation of Employers. The right of employers to combine is obviously as complete as that of the workmen, but the expediency of the combination and the practicability of its avowed objects are more questionable.

Domestic politics since the close of the Session, and, indeed, since the abortive Ministerial crisis in March, have been generally unexciting. Members of both Parties in their addresses to their constituents find an inexhaustible topic in the controversy whether a Conservative reaction is or is not indicated by the elections which have from time to time occurred. The monotony of Opposition victories has been interrupted by the success of Captain HAYTER in the third contest for Bath during the year, and by the return of Mr. JAMES for Taunton on his acceptance of the office of Solicitor-General. On the other hand, Mr. MILLS has defeated Sir EDWARD WATKIN at Exeter, notwithstanding the most lavish promises by the unsuccessful candidate of compliance with every popular demand which ingenuity could suggest. Sir JOHN KARSLAKE maintains the high standard of personal qualifications which has done

credit to Huntingdon since the first Reform Bill, while his opponents console themselves with the reflection that in the first contested election during forty years they have secured a respectable minority. The most remarkable lesson to be derived from the elections of the year is not so much that the Conservatives have generally won as that the Ballot has thus far defeated the calculations both of supporters and of opponents. Liberals complain, with pardonable inconsistency, that secret voting produces the uncertainty and frequent breach of pledges which the Ballot was intended to facilitate. It is doubtful whether it has hitherto affected the result of a single election ; but the great majority of contests have occurred in boroughs ; and it remains to be seen whether in counties the Ballot has disturbed the political harmony which has long prevailed between landlords and tenants. Direct intimidation of tenants is obsolete ; but many reasons of sentiment and of prudence have inclined the occupier to consult the wishes of the owner so long as his conformity could be known and appreciated. The section of Nonconformists which had been alienated by the refusal of the Government to abandon the principles of the Education Act has judiciously reconsidered the policy of withholding its support from Ministerial candidates. It had become more certain that Conservative members were returned than that their success was caused by the secession of the malcontents. It is possible that the victories at Taunton and Bath may have been caused by the re-union of the Liberal Party ; but Dover and Exeter have been lost in the same circumstances. An excuse for the abandonment of the Nonconformist secession was furnished by the Ministerial changes which immediately followed the prorogation of Parliament. The administrative miscarriages of the Treasury, which had not been counterbalanced by any brilliant financial achievements, rendered

the transfer of Mr. LOWE from the Exchequer expedient or necessary, and the appearance of any invidious preference of a successor was avoided by Mr. GLADSTONE'S assumption of the office of Chancellor of the Exchequer in addition to the duties of First Minister. Whatever may be thought in other respects of Mr. GLADSTONE'S political character, he is acknowledged by universal assent to be the greatest living master of finance. The places of First Lord of the Treasury and Chancellor of the Exchequer have not been held together since the first Administration of Sir ROBERT PEEL, nearly forty years ago ; and in ordinary times the labours of either are sufficient to occupy the most vigorous Minister. There is reason to believe that Mr. GLADSTONE will take the opportunity of proposing some comprehensive financial scheme, and that he will afterwards devolve the functions of Chancellor of the Exchequer on some present or future colleague. Mr. BRUCE, who had not established a reputation for vigour at the Home Office, was succeeded by Mr. LOWE, and was himself advanced to the Peerage by the title of Lord ABERDARE, and appointed President of the Council in the place of the Marquis of RUPON, who retired from the Government. Mr. AYRTON, who could certainly not be charged with a want of energy, was by an odd arrangement relegated to the sinecure office of Judge Advocate, which, after it had been suspended from motives of economy, was revived for his accommodation, or rather for the convenience of the PRIME MINISTER.

Mr. ADAM, after long service as Scotch Lord of the Treasury, became First Commissioner of Works, and Mr. ARTHUR PEEL took the place, as Parliamentary Secretary of the Treasury, of Mr. GLYN, who had succeeded to the Peerage. Later in the autumn Mr. LYON PLAYFAIR was appointed Postmaster-General on the resignation of Mr. MONSELL, who had allowed an official subordinate to supersede

his authority. It was remarked that Mr. PLAYFAIR had actively opposed the Irish University Bill, in which, according to general belief, Mr. MONSELL had been a principal adviser of Mr. GLADSTONE. The announcement, about the same time, that the Irish Roman Catholic Bishops had determined to found a University under a charter from the POPE, confirmed the belief that all attempts at negotiation on the academical question had been finally abandoned. Mr. MONSELL's services have since been rewarded with a peerage. A change of political significance, though of no administrative importance, consisted in the return of Mr. BRIGHT to the Cabinet as Chancellor of the Duchy of Lancaster. His acceptance of the office was postponed till the month of October, when, on his re-election for Birmingham, he delivered to his constituents his first public speech since the beginning of his illness. He displayed no falling off in vigour, in eloquence, or in political virulence. Once more he expressed his hostility to the Established Church, to the present tenure of land, to the existing distribution of electoral power, and even to the Education Act, to which he erroneously supposed he had not been a party. His declarations were naturally accepted by extreme Liberals throughout the country as proofs that the Government had committed itself to all their favourite doctrines. Sceptical observers, finding that Mr. FORSTER retained the control of education notwithstanding his colleague's denunciation of his policy, rather inclined to the suspicion that by a tacit understanding between Mr. BRIGHT and his colleagues his utter disregard of official reserve implied a corresponding absence on their part of all responsibility for his opinions. There is an advantage in sharing the popularity of a professed enemy of existing institutions, who has probably not the smallest intention of attempting to embody his principles in legisla-

tion. On the appointment of Sir G. JESSEL to the office of Master of the Rolls, which was resigned by Lord ROMILLY after a tenure of twenty years, Mr. HENRY JAMES became Solicitor-General, and shortly afterwards Attorney-General on the promotion of Sir JOHN COLERIDGE to the Bench as Chief Justice of the Common Pleas. The vacancy had been created by the premature death of Sir W. BOVILL, a highly successful advocate and an upright and respectable Judge. Mr. HARCOURT's ability and Parliamentary position have been fitly recognized in his appointment to the office of Solicitor-General. Two well-known lawyers of an earlier generation have died within the year. Sir GEORGE ROSE was well known as a Chancery practitioner in the days of Lord ELDON. Dr. LUSHINGTON had been for many years successful at the Bar and in the House of Commons before he was associated with BROUGHAM, with DENMAN, and with WILDE as counsel for Queen CAROLINE. He enjoyed society and took a warm interest in public affairs when he had passed the age of ninety; and the immediate cause of his death was a winter journey to Oxford, undertaken for the purpose of voting against a proposed censure on the Dean of WESTMINSTER. The celebrated geologist, Professor SEDGWICK, died about the same time, at an advanced age, having largely contributed to the advance of his science before it had attained its present maturity. Sir HENRY HOLLAND, dying at the age of eighty-five, on his return from a tour in Russia, left a perceptible blank in society, of which he had been a well-known member for more than sixty years. He was in the habit of saying that seven of his patients had been Prime Ministers, and the number of his friends and acquaintances was out of proportion to his professional connexions. Even in extreme old age the freshness of his mind and the activity of his intellect enabled him to dispense with the allowance which

would have been readily made for infirmity and decay. Sir EDMUND DE STRZELECKI was not less universally known both in England and in other parts of the world. His travels had been more extensive even than those of Sir HENRY HOLLAND, and his tastes and accomplishments were eminently social. His foreign accent added piquancy to the anecdotes which he told with dramatic humour, and his genial courtesy never failed. Lord LYVEDEN belonged to a past political generation, in which he had attained moderate success through the exercise of fair abilities and the friendship of CANNING and PALMERSTON. Mr. THOMAS BARING, though he declined a prominent part in political life, might be regarded as a public character in consequence of his personal influence and of his position at the head of one of the greatest commercial establishments in the world. Lord LYTTON, who died in the early part of the year, had earned a great reputation. It was doubtless mainly to his literary fame, coinciding with advantages of birth and fortune, that he owed his advancement to the Peerage and his appointment to be Secretary of State for the Colonies in the DERBY Cabinet. In the latter part of his career in the House of Commons he had, indeed, also distinguished himself as a brilliant and finished rhetorician, though he never attempted to be a debater. Still, it is as a writer of fiction that he will be exclusively remembered, his efforts even in other branches of literature being but moderately successful. In the delineation of character he never attained remarkable excellence, and he had no pretension to the humour of THACKERAY or of DICKENS, but in the rare and valuable art of constructing a story he had no equal among contemporary writers. Sir EDWIN LANDSEER, who was deservedly a social favourite, possessed higher claims to admiration as the greatest animal painter of his time. The estimate of his rank among artists

belongs to professional judges ; but ordinary spectators can scarcely be mistaken in appreciating the humour, the sympathy, and the dramatic truth of his representations of animal life. His conversation indicated the habits of close observation which characterize his works ; and a remarkable power of mimicry was probably connected with his artistic faculty of reproducing attributes and expression. Universal regret was caused by the sudden death of the Bishop of Winchester, SAMUEL WILBERFORCE. No ecclesiastic of the present generation has held so considerable a place in public and social life, while he was at the same time the most active of Episcopal administrators and the most conspicuous promoter of religious and philanthropic undertakings. The desultory genius which, in common with other qualities, he inherited from his celebrated father, enabled him to approach excellence, if not to attain it, in many walks of life. The impulsive disposition, which expressed itself in apparently excessive earnestness, raised doubts of his sincerity which were unfounded. His interest was easily excited on great or small occasions ; his feelings were genuine if they were somewhat indiscriminate. Among divines he was not reputed a profound theologian, and his writings, though full of grace, were merely ephemeral. His highest accomplishment was a natural and copious eloquence, which would have been still more effective if he had been more usually required to deal with practical matters of business. With extraordinary fluency of thought and diction he combined the apparently incompatible gift of pointed and epigrammatic wit. His sarcasms were frequent, felicitous, and severe, and they were recommended to those who were not the immediate objects of his satire by a genial humour which showed that they might be attributed rather to exuberant intellectual fertility than to personal malice. His enthusiastic admirers have been

gratified by Mr. GLADSTONE's eloquent tribute to the Bishop as one of the most extraordinary men who have flourished during several generations. It is undoubtedly true that precisely the same combination of qualities will not soon be reproduced. Within a few hours of the accident which proved fatal to the Bishop of WINCHESTER, his old adversary, Lord WESTBURY, closed his checkered career. In forensic ability and in legal learning he had no contemporary superior, and beyond the demands of his profession he had a large reserve of intellectual force. If he was not popular as a leader of the Bar or as one of the ablest Judges on the Bench, his fault consisted partly in minor defects of manner and of tact. His precise articulation and deliberate mode of speech gave full effect to his unconcealed consciousness of his own superiority ; and in his habitual attacks upon opponents he always left a sting behind. His colleagues, the Law Lords, who had the best opportunity of knowing his merits and his failings, vied with one another in offering generous tributes to his real kindness of nature as well as to his judicial and legal reputation. Of the many well-known Englishmen who have died within the year among the most remarkable was Mr. JOHN MILL. His "Autobiography," which has since been published, throws a vivid light on his character and his career. The strangely artificial education which he received from his father made him an early prodigy of attainment, and cultivated to the highest perfection his natural aptitude for philosophic inquiry. His knowledge of human nature and his judgment of practical expediency were stunted by the strict seclusion of his boyhood and by his voluntary renunciation of general society in his maturer years. The warm and deep feeling which had been suppressed by his stern preceptor tended in some instances to bias his philosophic judgment. Entering the House of Commons late

in life, he speedily attained a considerable Parliamentary position ; but while his ability commanded respect, little confidence was reposed in his prudence or moderation. Both in and out of Parliament he became on certain points a formidable ally of revolutionary innovators, and his defeat at the last election was regarded by his opponents with satisfaction and by many of his friends with complacency. As a writer he has exercised great influence over the generations which have grown to maturity within the last twenty years. On the merits of his theories there are different opinions ; but the most vigorous critics of parts of his system acknowledge that they were trained in his school.

The elastic connexion of the Imperial Government with the larger Colonies has of late years been seldom liable to a strain ; but a Ministerial change in the Dominion of Canada has been watched with painful interest. The chief founder of the great Northern Federation, a statesman whose tenure of office had been unprecedented in duration on the American continent, has been compelled to retire from office, with his colleagues, in consequence of charges which gravely affected the political character of the Ministers, although their personal honour was unimpeached. The Canadian Government had for some time past contemplated the construction of a Pacific Railway to unite the Eastern and Western Provinces, and in consideration of the concessions made by Sir JOHN MACDONALD on behalf of Canada during the negotiation of the Treaty of Washington, the English Government had guaranteed a portion of the cost. By two Acts of 1872 the Canadian Parliament incorporated two Companies, with power to contract with the Government, for the construction of the railway. A strong feeling existed against the participation in the enterprise of American speculators, who might, as it was supposed, be influenced by their interest in rival rail-

ways. Sir HUGH ALLAN, the richest capitalist in the Dominion, was required to separate himself from his American partners ; and he ultimately obtained the concession on behalf of a body of adventurers distinct from both the incorporated Companies. That the terms of the bargain were not onerous to the Dominion seems to be proved by the subsequent failure of the undertakers to raise the necessary capital in the English Money-Market. Sir JOHN MACDONALD and his colleagues appear to have guarded with fidelity the public interests committed to their charge ; but they, unfortunately, allowed Sir HUGH ALLAN, during the negotiations for the railway, to advance them large sums of money, to be employed in a General Election. An inquiry by a Committee of the Canadian House of Commons failed through the disallowance at home, on technical but sufficient grounds, of an Act authorizing the examination of witnesses on oath. Those of the members of the Committee who belonged to the Opposition refused to serve on a Royal Commission, and their places were consequently supplied by substitutes of high judicial character. It soon appeared that the main facts were scarcely disputed, for the inculpated Ministers acknowledged the receipt of money from Sir HUGH ALLAN, and it was rightly held in Canada and in England that it was an immaterial issue whether they had given valuable consideration in exchange. The receipt of money for party purposes from an applicant for a public contract was wholly indefensible ; and, after some hesitation, the Ministers found it necessary to resign their offices. Lord DUFFERIN, as Governor-General, was for a while exposed to a share of the vituperation which was launched with Colonial vehemence on his Ministers ; but, by this time, all parties in Canada are probably satisfied that, in acting by the advice of his Ministers so long as they remained in office, the Governor-

General acted in strict accordance with Constitutional principle. It is well that an irregularity scarcely distinguishable from corruption should have been visited with censure and punishment ; but it may be allowable to hope that the statesmen who will hereafter, perhaps, be regarded as the founders of a great Empire may still be enabled to render further services to their country. The duties of the Colonial Office range from the supervision of relations which are almost federal or diplomatic to the defence of remote dependencies, of which the very existence is scarcely remembered until they involve the country in unexpected and undesired conflicts. The trading settlements on the Gold Coast, which had been founded in the seventeenth century, were, after the occurrence of a memorable disaster, relinquished by the Government of the Duke of WELLINGTON in 1830. For some years afterwards they were administered, with the assent of the Government, by a body of merchants trading to the Coast, but a few years ago they were once more placed under the direct authority of the Colonial Office. At a later period some of the Settlements were from motives of convenience exchanged with the Dutch, and, finally, in 1872 the Dutch Possessions were transferred by treaty to England, in consideration of a small money payment and of a modification of old treaties which had restricted the pretensions of the Dutch in Sumatra. The arrangement has thus far not proved advantageous to either of the contracting parties. The Dutch have become involved in a war with the Sultan of ACHEEN, who is supported by the national and religious enthusiasm of the Malays ; and a dispute about a stipend formerly allowed by the Dutch to the King of ASHANTEE has led to a troublesome and unprofitable contest between ourselves and the most warlike nation of Western Africa. The Ashantees had some time since overrun the

Coast districts in the neighbourhood of Elmina ; and, either in consequence of a misunderstanding as to the tribute or in resentment of the demand that they should evacuate the Protected Territory, they attacked a handful of English troops and Marines, by whom they were signally defeated. It would have been easy by small reinforcements of the garrisons to make the English forts impregnable to the enemy ; but as long as the Ashantees held the open country without molestation, it was certain that all the tribes in the neighbourhood would join the stronger party. The English Government determined to despatch to the seat of war a force sufficient to penetrate, if necessary, during the cooler season, to the Ashantee capital ; and Sir GARNET WOLSELEY, who had already distinguished himself in difficult employments, was appointed to the command of the Expedition, and directed to proceed to the Gold Coast in advance of his troops. During the two months which have elapsed since his arrival, Sir GARNET WOLSELEY has, at the head of small parties of men, checked the Ashantees in several skirmishes, though in the absence of his English regiments he has been unable to pursue his advantage. The troops which left England in the beginning of December have by this time disembarked, and it is hoped that the preparations which have already been made will enable them immediately to march on Coomassie. Captain GLOVER, who has much experience in the management of the natives, has collected on the Volta, to the east of Sir GARNET WOLSELEY'S line of advance, a force of the fierce Mahomedan tribe of Houssas, which will probably render valuable assistance. The Fantees, who are the more immediate subjects of the English Protectorate, are found utterly useless for warlike purposes ; and their proved inefficiency will probably influence the policy which will be adopted after the conclusion of the war. The

campaign was, perhaps, inevitable, but among the innumerable petty wars which have occurred on the outskirts of the Empire no enterprise has ever offered less prospect of profit, of glory, or of reasonable satisfaction.

An impending calamity of a different and still graver kind causes serious anxiety both in India and in England. The failure of the summer and autumn rains has destroyed or reduced the rice crops of a large part of Bengal and Behar to an extent which renders extreme scarcity certain, and famine, if it is not averted by adequate measures of relief, only too probable. A dense population, living on the cheapest and simplest kind of food, has no resources within its own reach when the ordinary provision fails through an unfavourable season. In the great famine of a century ago the deaths from starvation were counted by millions, and the sufferings of Orissa in 1866 are still fresh in recollection. On the present occasion timely warning has been given of the danger, and the highest authorities on Indian affairs have had ample opportunity of suggesting and discussing the necessary measures. Sir GEORGE CAMPELL, Lieutenant-Governor of Bengal, is well known as one of the most vigorous of administrators, and the indefatigable industry and prudence of Lord NORTHBROOK command general confidence. The Duke of ARGYLL has, on behalf of the Home Government, approved by anticipation any expenditure which the VICEROY may deem necessary for saving human life. In a late address to the Municipality of Agra, Lord NORTHBROOK expressed a hope that it would be possible to prevent any loss of life ; and there is at least reason to hope that no practicable measure of relief will be neglected. The VICEROY has sanctioned the request of the LIEUTENANT-GOVERNOR for the purchase of large quantities of rice, relief works on a great scale have been already commenced. and it

is thought that the most secluded districts may be reached by railway, by road, or by water communication. Before the calamity of famine became imminent, the condition of India was tranquil and generally prosperous. The rapid extension of Russian dominion in Central Asia had long directed the attention of statesmen, both in India and in England, to the expediency of preventing or postponing diplomatic conflicts which might lead to hostile collisions. In the Autumn of 1872 it was announced that an expedition against Khiva would be undertaken early in the ensuing year ; and the VICEROY informed an Envoy of the KHAN that he had nothing to expect from English mediation or interference. Lord GRANVILLE afterwards invited an explanation of the intentions of the Russian Government, and the EMPEROR despatched Count SCHOUVALOFF, an officer who enjoys his personal confidence, on a special mission to England, with assurances that, after exacting retribution for the offences committed by the Khan of KHIVA and his subjects, the Russian armies would evacuate the territory. At the same time, a negotiation which had been commenced by Lord CLARENDON was brought to a conclusion in a correspondence with Prince GORTCHAKOFF. The Russian Government undertook to abstain from interference in the affairs of Afghanistan and its dependencies ; and, after some discussion, the Russian Minister accepted the English demarcation of the boundaries of the Afghan State. Prince GORTCHAKOFF adroitly assumed in his closing despatch that the agreement included a guarantee against any encroachment by SHERE ALI and his successors on their northern neighbours. A subsequent disclaimer of the engagement by Mr. GLADSTONE, in answer to a question in the House of Commons, was interpreted by some Russian journals as a repudiation of the entire arrangement ; but as long as neither England nor Russia wishes to

provoke a collision the convenience of both Powers will probably induce them to abide by the understanding of 1873. The conquest of Khiva was effected in the course of the Spring with a facility and completeness which were due to the perfection of the preliminary arrangements, as well as to the discipline of the Russian troops and the ability of General KAUFMANN, the Commander-in-Chief. Of five or six columns which marched upon Khiva by separate roads, one only failed to make its way to the capital ; the remainder of the army succeeded in passing the desert through extremes of cold and afterwards of heat ; and, as in the case of the English campaign in Abyssinia, the difficulty of the enterprise was overcome as soon as the goal was attained. The troops of the enemy scarcely attempted serious resistance ; the capital was occupied without the trouble of a siege ; and the KHAN, who had in the first instance fled before the invaders, soon afterwards returned and surrendered himself to the Russian General. The first and most satisfactory result of the conquest was the restoration of numerous Russian and foreign captives, who had been held as slaves ; and slavery was at the same time formally abolished. Russia has not complied with the understanding that the independence of the Khanate should be maintained. By a Treaty dictated by General KAUFFMAN the KHAN was compelled to declare himself the vassal of the EMPEROR, to consent to the establishment of any Russian fortresses which might be erected in his dominions, and in all respects to obey the authority of his new Sovereign. According to an official statement since published at St. Petersburg, a design of placing a Russian garrison in the Delta of the Oxus was found to be, from local causes, impracticable. It was, therefore, determined to establish the fortress further south on the right bank of the river, and at the same time to annex the large portion of the

territory of Khiva which extends from the Oxus to the border of Russian Turkestan. A Treaty between Russia and Bokhara, of which we publish this morning a telegraphic summary, supplements the Treaty with Khiva. It is easier to understand the motives of General KAUFMANN'S policy than to reconcile the Khiva Treaty with the assurances which were conveyed through Count SCHOUVALOFF. The interests, however, of England in the East could only be affected by the partial or total annexation of Khiva if the aggrandizement of Russia in that part of Central Asia should affect the relations between England and Persia. If ceremonies and public demonstrations of regard have any political value, the present ruler of Persia must be connected by the most friendly ties with all civilized Powers, and especially with England. The SHAH has broken through Eastern tradition by a journey to all the principal capitals. Having been splendidly entertained at St. Petersburg and Berlin, he fortunately timed his arrival in England so as to reach London when it was at its fullest, and when its vast population was most ready for variety and amusement. The SHAH was lodged in Buckingham Palace; he was magnificently entertained at the Guildhall; a military review was held in his honour at Windsor, and a naval review at Spithead; he visited Liverpool and Manchester; and he was received with almost Royal splendour by the Duke of SUTHERLAND at Trentham. Wherever he went good-humoured crowds repaid the novel spectacle with ready applause, and the SHAH and his attendants had the fullest opportunities of appreciating the wealth and population of England. He was afterwards received courteously, if with less enthusiasm, at Paris, at Milan, and at Vienna, and, finally, the head of the great Mahomedan schism visited the orthodox COMMANDER of the FAITHFUL at Constantinople. It is barely possible that the observations

made by the SHAH in his travels may tend to some improvement in Persian administration.

Some of the many visits which have been exchanged by European Sovereigns have had higher political significance as public announcements of the termination of former feuds and jealousies. The Emperor of AUSTRIA was received with hospitable cordiality at Berlin, and both the German and Russian Emperors have visited Vienna. The King of ITALY answered a wanton challenge of the Ultramontane faction in France by a visit to Vienna, which was intended to celebrate a final reconciliation with Austria, and by a visit to Berlin, which implied the contingency of an alliance between Germany and Italy, founded on common antagonism to the pretensions of Rome. The contest between the Prussian Government and the Roman Catholic Hierarchy has rapidly assumed larger proportions. Prince BISMARCK carried through the Prussian Parliament a Bill relating to the discipline and education of the clergy, which is regarded by the Bishops and by the Holy See as an infringement on ecclesiastical independence. Parish priests are not to be appointed without the previous sanction of the Government, and clerical students are required to pass through a course of instruction in the national Universities. The Archbishop of POSEN and other prelates have been punished by fines for disobedience to the new laws ; and they are now menaced with imprisonment. In short, it would seem that an open rupture between the Government and the Catholic clergy has become inevitable. In the early part of the year the POPE addressed to the EMPEROR a strange letter of remonstrance, affecting to believe that the EMPEROR disapproved the measures of his Government, and announcing that the POPE possessed some undefined rights to the allegiance even of Protestant Sovereigns. When the quarrel had become more envenomed, the

EMPEROR, after a long interval, returned a dignified answer, in which the Catholic Hierarchy in Germany was accused of insubordination and disaffection. The POPE's rejoinder has not been published, but its tenour may be easily conjectured. After a new election, which has increased his Ministerial majority, Prince BISMARCK has introduced a Bill for the transfer of registration from the clergy of all established denominations to the Civil servants of the State. When the measure becomes law the validity of marriages will depend exclusively on the celebration of the civil ceremony ; and the obligation of baptism will no longer be enforced as by the existing law, which makes it for certain purposes a condition of the exercise of civil functions. A still more decided advance to a secession from Rome has been made by the appointment of a prelate of the Old Catholic sect to a vacant Bishopric. Bishop REINKENS, who claims apostolic succession in virtue of a consecration by the Jansenist Archbishop of Utrecht, has, as might be expected, been anathematized by the POPE in terms of more than ecclesiastical virulence. Experience will show whether a revival of the policy of HENRY VIII. is practicable in an age when professing Catholics hesitate between absolute indifference and entire devotion to Rome. The feasibility of Prince BISMARCK's enterprise would be generally doubted, as his motives are but imperfectly understood, but for the confidence which is reposed in his ability and fortune. His own supremacy in the Councils of his Sovereign, though it seemed at one time to be threatened, has now been signally confirmed. Early in the year he resigned to General ROON the office of Prime Minister of Prussia because the King declined to admit the subordination of the rest of the Cabinet to any authority but his own. After a temporary trial of the experiment, Prince BISMARCK, who had retained his Chancellorship of

the Empire, has resumed his place at the head of the Prussian Cabinet ; and it may be assumed that the control over his colleagues which he formerly required has now been conceded.

The stirring history of France during the year commenced with an event of tragic interest and historical importance. In the first days of January the Emperor NAPOLEON III. died, after a painful illness, at Chiselhurst. The disease which at last proved fatal accounted in some degree for the weakness and vacillation which ended in the catastrophe of his fall. It is now known that his sufferings were calculated to affect the firmness of his resolution and the soundness of his judgment, and probably the anticipation of an early death may have increased the nervous solicitude for the permanence of his dynasty which produced its ruin. His singular disposition, his sudden and unexpected rise to power, the meridian splendour of his reign, and the simultaneous collapse of the Empire and of France will secure to NAPOLEON III. a conspicuous place in history, while his mixed and ambiguous character will long furnish inexhaustible matter of controversy. The ridicule which attended his early adventures at Strasburg and Boulogne was afterwards effaced by the practical proof that he understood the nature of the French people and the French army better than his critics. His Crimean and Italian Wars, though both enterprises were in the first instance unpopular, produced by their results a belief, both in France and in Europe, in his ability and good fortune ; and the great majority of his subjects revered an absolute ruler who had, as they thought, rehabilitated the national flag for the first time since Waterloo. So long as he steadily suppressed every kind of constitutional liberty his supremacy seemed to be secure. With advancing years, when the Mexican expedition had failed, and when his crooked German diplomacy had resulted

in the aggrandizement of Prussia, he seems to have thought that a system of concession would secure the inheritance of a Liberalized Empire to his son. After many years, in which free political discussion had been rigorously prohibited, unbounded licence was suddenly granted to revolutionary orators and journalists, who attacked not only the Empire, but the foundations of social order. Even in the last year of his reign NAPOLEON III. once more appealed to the vote of the people against the incendiaries of Paris. The maintenance of the Imperial system was affirmed by a vast majority ; but, unfortunately, some thousands of soldiers gave their votes against the Empire, and, in his alarm and uncertainty, the EMPEROR yielded to the pressure of fanatics and courtiers, and insanely precipitated the final rupture with Germany. His party in France survives him, but with uncertain hopes, and it is impossible to know whether the popularity of the dynasty of BONAPARTE is extinct in France, nor is the heir of the family old enough to justify a confident opinion of his capacity. At present, even the rural population seems to favour the definitive establishment of a Republic, while the Assembly, which has hitherto successfully asserted its own supremacy, maintains a provisional form of Government, approaching as far as circumstances allow to the type of a Constitutional Monarchy. For more than two years after the conclusion of the war it appeared that M. THIERS was indispensable as Chief of the Executive Government. His great reputation, his Parliamentary ability, and the invaluable services he had recently rendered to the country seemed to place him beyond the reach of competition. On several occasions he had defeated opposition by threatening to resign, and he relied too long on the efficiency of a weapon which necessarily wore out with frequent use. The Republic, to which he gradually gave a complete adhesion, was associated in the minds of

the majority of the Assembly with the extreme revolutionary faction, including the Commune, which M. THIERS had defeated. The reaction which has now proceeded without interruption may be traced to the mischievous and threatening speech which was delivered at Grenoble by M. GAMBETTA in the Autumn of 1872. While the so-called Committee of Thirty was discussing with the President of the Republic the draught of a proposed Constitution, an animated debate on the proceedings of the Lyons Municipality resulted in a censure on M. BARODET, the Radical Mayor of the city. During the month of March the preamble of the Constitutional Bill was, after a powerful speech by M. THIERS, adopted by a large majority. By the beginning of April the President was able to announce that the arrangements for the liquidation of the payment to Germany were complete, and that the evacuation of French territory would be finally completed on the 4th of September. Within a few days of that date, after M. THIERS had retired from office, the German Army of occupation was withdrawn, a year and a half before the time at which it was originally stipulated that the payment should be completed. The Eastern Departments, which more immediately profited by the departure of the foreign garrison, not unreasonably paid public honour to the statesman who had accomplished their liberation, although he was no longer officially intrusted with the conduct of affairs. By a curious complication the rupture of the Majority with the President was immediately caused by an attack of the Extreme Democrats on his Government. M. DE RÉMUSAT, one of the President's most confidential colleagues, became candidate for a vacancy in the representation of Paris immediately after he had signed, as Foreign Minister, the Treaty of Evacuation. The Radical party, combined with the late adherents of the Commune, showed their

gratitude for the services of the President and his Ministers by returning, instead of M. DE RÉMUSAT, M. BARODET, who was only redeemed from utter obscurity by his notorious complicity with the promoters of disorder during his municipal administration of Lyons. This suicidal attack on the Statesman who was best able to promote the establishment of a Republic, while it frightened many recent converts into recantation, furnished the advocates of Monarchy with a triumphant demonstration that the anarchists were strong enough in Paris, if not in France, to control the policy of the Republican Party. The speech of M. GAMBETTA had shaken the hold of the President on the Assembly; the election of M. BARODET determined the Majority to select a President who would make no terms with the advanced Republicans. When the Assembly met after a short recess in May, M. THIERS had reconstituted his Ministry by the removal of M. DE GOULARD and M. JULES SIMON, and by the admission of M. CASIMIR PERIER and other Liberals who had formerly belonged to the Orleanist Party. A Bill on the organization of Public Powers was presented by the Government, containing provisions for the election of a Senate to hold office during ten years, and for the election of the popular Chamber by separate *arrondissements*; and it was proposed that the President of the Republic, who was to be elected for five years, should have power, jointly with the Senate, to dissolve the Assembly. The Duc DE BROGLIE, now the leader of the Conservative Party, moved an Order of the Day which was adverse to the Government; and, after a long debate, in which M. THIERS took part, the Amendment was carried by the narrow majority of 14. Instead of again entreating M. THIERS to withdraw the resignation of his office which he immediately tendered, the victorious party invited Marshal MACMAHON to assume the Presidency. The change

in the Government was effected in perfect tranquillity, nor has any resistance been since offered to the Assembly or the PRESIDENT. The Duc DE BROGLIE became President of the Council, and M. MAGNE, the ablest financial administrator of the Empire, joined the Cabinet as Minister of Finance. Notwithstanding some startling excesses of authority on the part of the Minister of the Interior, the majority of the Government in the Assembly steadily increased, while the constituencies took every opportunity of returning Republican candidates for vacant seats. It soon became evident that the designs of the Conservative Party were not confined to the establishment of a Provisional Government of their choice, and the long-existing difference between the Legitimists and the supporters of the House of ORLEANS was at last terminated by a formal visit to Frohsdorff, at which the Comte DE PARIS acknowledged the hereditary right of the Comte DE CHAMBORD, abandoning, on behalf of himself and his family, all rival pretensions to the Crown. The Bonapartists, under the guidance of M. ROUHER, had assisted in the overthrow of M. THIERS, and had accepted a share of Ministerial offices. It was not to be supposed that the adherents of the Empire would concur in the restoration of the House of BOURBON ; but the Royalists thought themselves strong enough to accomplish their design by their own unassisted forces. The Legitimate Pretender was, with great difficulty, induced to promise the maintenance of Liberal institutions, and even to modify his strange persistency in substituting the white flag of the old Monarchy for the tricolor. The Assembly would probably have proclaimed HENRY V. as King of France if the candidate had not, at the last moment, revived in a strange letter his incredible protest against the use of the national flag. In rhetorical phrase, he asked what his glorious ancestor HENRY IV. would have said to a

demand that he should abandon the flag of Arques and of Ivry. It might have been answered that the highly practical Monarch who said that "Paris was well worth a mass" would have surrendered his flag at least as easily as his religion, but there is no use in arguing with a recluse whose prejudices are probably confirmed by the influence of his family and his petty Court. The supporters of Monarchy necessarily withdrew from the cause of the chivalrous but impracticable Pretender; and the Ministers at once proposed to the Assembly the appointment of Marshal MACMAHON as President for a term of ten years, which was afterwards reduced, by way of compromise, to seven. The result proved that the Conservatives had not miscalculated their strength; for, notwithstanding the discredit which they may have incurred by their abortive attempt to restore the Monarchy, a secession from the Left Centre, which was still influenced by fear of the Extreme Republicans, enabled the dominant Party to carry all their proposals by great and increasing majorities. With the legal power conferred by the Assembly, and with the Army at his back, the PRESIDENT holds his office securely until the indefinite period of a Dissolution. It would be rash to anticipate the result of a general election by universal suffrage. The Extreme Legitimists neither regard with satisfaction the prolongation of a provisional form of Government nor approve a recent appointment of a Minister to the Italian Court. At the time when a Restoration seemed probable, the Archbishop of Paris, since rewarded by promotion to the rank of Cardinal, declared in an inflammatory Pastoral that it was the imperative duty of France to restore by arms the temporal power of the POPE. Even the Comte DE CHAMBORD thought it expedient to protest against the assumption that his accession to the Throne would involve the country in an unjust and unnecessary war: but the

popular repugnance to his claims was increased by the suspicion that his policy abroad as well at home would be subject to clerical influence. On one class of questions the Duc DE BROGLIE and his colleagues are in advance of their predecessors. There is no longer any danger that the commercial system of the Empire will be abandoned by the Republican Government. The invincible prejudice of M. THIERS against freedom of trade had produced unforeseen complications. Notwithstanding the considerate deference of the English Government to the wishes of the PRESIDENT, the modification of Mr. CORDEN's Treaty had not enabled France to reimpose Protective duties. The Continental States unanimously declined to anticipate the term at which their Commercial Treaties were to expire ; and since the change of Government no further attempt has been made to resume the obsolete policy of prohibition. Another consequence of the removal of M. THIERS from power was the determination of the Government to proceed with the trial of Marshal BAZAINE. The late PRESIDENT, whatever may have been his personal judgment on the merits of the case, was convinced that minute inquiry into the disasters of the war would produce no public advantage sufficient to compensate for the painful exposure of national scandals. The Government of Marshal MACMAHON arrived at a different conclusion, and the inquiry commenced in the autumn before a Court-martial of general officers, under the presidency of the Duc D'AUMALE. Marshal BAZAINE was charged not only with military incapacity in allowing himself to be blockaded by a nearly equal force in Metz and in his ultimate capitulation, but also with a treasonable design of making himself, by the aid of his army and with the connivance of the enemy, independent of the Government of National Defence, which had been universally acknowledged by France. The trial was conducted with a solemnity

worthy of the grave issues which it involved, and the acuteness, the abundant knowledge, and the judicial impartiality of the President of the Court were universally admired. On the charge of political bad faith the Court returned no direct verdict ; but on the issue whether the Marshal had done all that was required by duty and honour he was, by a unanimous vote, found guilty. In accordance with the clear prescriptions of the Military Code, the Court condemned the prisoner to degradation and to death, but at the same time recommended him to mercy. The PRESIDENT of the REPUBLIC, in accordance with the general wish and expectation, commuted the punishment of death to confinement for twenty years in a fortress, and remitted the ceremony which according to law accompanies the sentence of degradation. The ex-Marshal had enlisted at Versailles as a private forty-three years before his career ended there in this melancholy fall.

If the unstable position of France illustrates the evil results of frequent revolutions, the same lesson is taught in still plainer language by the hopeless anarchy of Spain. At the beginning of the year Señor ZORRILLA, as Chief Minister of King AMADEO, was supported by a large Progressist or Radical majority in the Cortes. The smouldering rebellion in Cuba formed the only exception to the apparently pacific state of the kingdom, and the Colonial party alone opposed a Ministerial measure for the abolition of slavery in Porto Rico. Early in February a Carlist insurrection, which has since attained larger proportions, broke out again, after an interval of some months, in the Northern Provinces. Immediately afterwards King AMADEO announced his intention of abdicating the Throne to which he had been invited by the principal statesmen of Spain and by a large majority of the Cortes only two years before. It is possible that he might

have succeeded in establishing his dynasty but for the murder of PRIM on the eve of his arrival in Spain. During his short reign he had more than once narrowly escaped assassination. His earnest efforts to govern on Constitutional principles had been baffled by factious partisans ; and among Spaniards of the highest rank the KING and his family were exposed to a kind of social excommunication. On the announcement of the abdication, and of the KING's departure from the country, which immediately followed, the Cortes acceded to the exulting demand of the minority that a Republic should be at once established. It seemed, in fact, to have been proved by a process of exhaustion that it was no longer possible to maintain Royalty in Spain, and consequently the majority in the Legislature and the nation unwillingly submitted to a Republic. The leaders of the party, CASTELAR and PI Y MARGALL, with FIGUERAS as Prime Minister in the first instance, admitted to a share in the Government some members of the Progressist Party ; but in a few days a threatened riot in the capital compelled the resignation of the late supporters of the Monarchy. ZORRILLA had retired from Madrid on the first establishment of the Republic ; and now SERRANO thought it prudent to escape in disguise. The Republicans, when they were in opposition, had exerted themselves to demoralize the army, and when they were in power the soldiers naturally expected a relaxation of the bonds of discipline, while the people refused to allow the enforcement of the conscription. The immediate pretext of the KING's abdication had been the promotion to a high command of a mutinous Artillery General, and the consequent retirement of the officers of that arm of the service. Immediately after the proclamation of the Republic the Carlist rising spread and became more formidable, and in several towns the Intransigente, or uncompromis-

ing, faction, corresponding to the French Communists, loudly demanded the institution of the Federal Republic, to which the Ministers had long been pledged. After a futile attempt of the majority of the Cortes to resist the dictation of the mob, a Dissolution was followed by a General Election, in which, according to a common Spanish practice, only the dominant faction took part. The new Constituent Cortes met in June, and substituted PI Y MARGALL as Chief Minister for FIGUERAS, who, like his predecessors, at once retired into obscurity and exile. Disturbances and savage massacres ensued, not without a suspicion of complicity on the part of the Prime Minister or of some of his colleagues. Alcoy, Malaga, and Seville were in insurrection, and a bold party of adventurers, including CONTRERAS, a General of the regular army, commenced in the strong fortress of Cartagena one of the most extraordinary rebellions recorded in history. Even Spanish patience was exhausted by the incapacity or treason of PI Y MARGALL, and SALMERON, who represented a more Conservative shade of Republicanism, was elected in his place. Seville and other rebellious towns were reduced to obedience with little show of resistance, but the insurgents of Cartagena, having secured possession of the fleet as well as of the fortress, still maintained their independence. Two of the rebel ironclad vessels were seized by the Commodore of the German squadron, who, on the disapproval of his interference by his Government, transferred them to the custody of the English Admiral. After some hesitation the English Government restored the captured ships to the authorities of Madrid ; but the Spanish Admiral has not succeeded in asserting clearly his superiority over the insurgents at sea. After a brief tenure of office, SALMERON was succeeded by the eloquent CASTELAR. His first and wisest measure was the prorogation of the Cortes

and the assumption of dictatorial power. The contests with the Carlists has been continued with evenly-balanced fortune ; and a besieging army began some weeks ago a bombardment of Cartagena, of which the results are still uncertain. An untoward occurrence in Cuba has lately caused the Spanish Government fresh embarrassment and mortification. The *Virginus*, a vessel using the American flag, and laden with military stores and reinforcements for the insurgents in Cuba, was captured between Cuba and Jamaica by the Spanish cruiser *Tornado*. Of the crew and passengers no fewer than fifty-seven were immediately put to death by the Governor of Santiago de Cuba, with scarcely the form of a regular trial. The American Government immediately demanded the surrender of the vessel and of the survivors, and the Spanish Minister had no choice but to comply. It has since been admitted that the use of the American flag by the *Virginus* was unauthorized, and the PRESIDENT's demand for a formal salute to the American flag has consequently been withdrawn. But the unauthorized use of the American flag cannot excuse the savage massacre of sailors and stewards and engine-men. A dramatic close to this curious international episode has been furnished by the news which arrived yesterday of the *Virginus* having foundered at sea. In the difficult business of pacifying and governing Spain, it is to be wished that CASTELAR may succeed. There is no doubt of his honesty ; and if he has sometimes seemed deficient in wisdom, the experience of the past year has probably taught him more than the democratic and rhetorical studies of his life. It is supposed that the Cartagena rebels rely on the support of the Cortes, which are to re-assemble on the 2d of January, and that they hope for impunity, and perhaps for reward, under the congenial administration of PI Y MARGALL. In resuming his place as an

Italian Prince the late King of SPAIN finds himself once more in the midst of a community which possesses political instincts and aptitudes. A change of Ministry at home was caused during the year by differences of opinion on the details of legislation respecting ecclesiastical property ; but the only serious cause of political anxiety is the financial embarrassment, which mainly arises from the difficulty of raising taxes in the Southern Provinces. RATTAZZI, who died during the year, had taken a prominent part in the affairs of Italy, and he leaves behind him the reputation of an able and versatile politician. A deeper feeling of interest was produced throughout Italy by the death of MANZONI at an advanced age. In the great days of Italian Literature MANZONI would have only been regarded as a minor poet, and even in his own time his facile elegance scarcely competed with the crabbed strength of GIUSTI, but in the general abeyance of literary activity his works had been esteemed by two or three generations of readers. In the choruses of his *Adelchi* and in his ode on the death of NAPOLEON he displayed a lyrical faculty worthy of CAMPBELL, and his popular romance is the best foreign imitation of SCOTT.

In the minor European States few remarkable events have occurred. The King of SWEDEN and NORWAY, a Prince of restless ability, who failed to meet opportunities of gratifying his ambition, has been succeeded by his son. The King of SAXONY, who would even in private life have been eminent as a man of science, had acquiesced in the circumstances which reduced him to the condition of a member of the German Empire. On his death his son succeeded him, with a merited reputation for military ability, which he had displayed in a high command during the war with France. The Turkish Government has been checked in its ambitious projects for the entire conquest of Arabia by

the demand of the English Government that the troops of the Governor of YEMEN should be withdrawn from the neighbourhood of Aden. Sir BARTLE FRERE, sent on a special mission for the suppression of the Slave Trade on the Eastern shores of the Red Sea, obtained with some difficulty the assent of the Sultan of ZANZIBAR to a treaty for the abolition of the traffic. A few months ago ABD-EL-KADER, once a historical personage, died at Damascus, where he had lived since his release from a French prison in dignified retirement. No chieftain in modern times has combined more successfully the character of warrior and of prophet. At one time, as leader of the Mussulmans of Northern Africa, he seriously endangered the French supremacy in Algeria ; but he lived in too late an age, and after many gallant struggles he succumbed to the civilized superiority of French arms under Marshal BUGAUD. The Emperor NAPOLEON on his accession to power liberated the illustrious prisoner on an honourable understanding, afterwards faithfully observed, that he should not re-enter his native country. To a generation which had almost forgotten his exploits the news of his death produced an impression as if some distant epoch had been revived.

1874.

A comparatively uneventful year has in England only been made remarkable by a reversal of the position of political parties and by a consequent change of Ministry. The result has been accepted by the country, and even by the defeated party, with a cheerful equanimity, which is the more satisfactory because the transfer of power and the cause which immediately produced it were wholly unforeseen. The enthusiasm which attended the early

exploits of Mr. GLADSTONE'S Administration had subsided, and in his unsuccessful attempt to legislate for Irish University Education he had for the first time come into collision with the majority of English and Scotch Liberals. At the same time, his restless activity had alarmed many sections of the community ; and some of his colleagues had given offence by imprudent declarations, and, as it was alleged, by want of personal courtesy. The position of the Government was prospectively insecure ; but distant perils sometimes prove on a nearer approach to be imaginary ; for the moment no pressing difficulty impended, and in party divisions the Minister could still reckon on a majority of sixty. Recent modifications of the Government had, on the whole, tended to make it stronger. It was thought that Mr. LOWE would display vigour at the Home Office, while Mr. GLADSTONE'S assumption of the office of Chancellor of the Exchequer justified the general expectation of a comprehensive and beneficial scheme of finance. As no colleague and no opponent could pretend to equal skill or experience, it was hoped that the professional conscience which is fostered by special knowledge would secure the preference of sound fiscal policy to considerations of party interest. The expectation would perhaps have been realized but for an unaccountable impulse which, arising on a trivial occasion, suddenly disturbed Mr. GLADSTONE'S judgment. A Gloucestershire Borough, which has before and since incessantly oscillated between the two contending parties, had recently added another item to the list of Conservative successes at elections. Annoyed by the slow but regular decline of his majority, and still believing that he retained the confidence of the constituencies, Mr. GLADSTONE, a fortnight before the time appointed for the opening of the Session, to the astonishment of his friends, of his opponents, and of his own Cabinet,

announced the immediate dissolution of Parliament. Eight years before he had been accused by his party of squandering the majority which Lord RUSSELL had inherited from Lord PALMERSTON. He now deliberately threw an equal majority into the crucible of a General Election, trusting that it might emerge from the process refined from all admixture of mutinous independence. Happening for the moment to have no great measure or political doctrine on which he could appeal to the judgment of the country, Mr. GLADSTONE was, unfortunately, tempted to submit to the constituencies a question which it was his official and constitutional duty to reserve for the exclusive consideration of the House of Commons. An unprecedented surplus of six millions would have enabled him either to continue the reforms in the tariff by which he had formerly earned public gratitude, or to discharge the duty, which he had of late years often declared to be paramount, of reducing the National Debt. In either case he must have satisfied the judgment of Parliament, which would have been disposed to receive his suggestions with deference and probably with approval. The last purpose to which the surplus ought to have been applied was the purchase of a majority for the Government ; yet Mr. GLADSTONE, in his address to the electors of Greenwich which first announced the Dissolution, proposed not only to exhaust the surplus, but to create an unnecessary deficit by the abolition of the Income Tax and by a contribution from the national revenue in aid of Local Rates. The equilibrium was to be restored by an undefined "re-adjustment," which must necessarily have consisted in an increase of taxation. The precedent of including a Budget in an election address will assuredly not be repeated. But for the defeat which ensued, Mr. GLADSTONE'S innovation might readily have degenerated into the worst form of political corruption. It was a more

venial error to startle a community which had already indicated on many occasions its distrust of a policy of surprises. There could be no better proof that the Dissolution had been altogether unexpected than the embarrassment with which the tidings were received by Mr. DISRAELI. In an unnecessarily hasty answer to Mr. GLADSTONE's address, the leader of the Opposition accepted the financial issue which ought never to have been raised, and attacked the Government on a frivolous pretext of their policy in abandoning the sovereignty of Sumatra to the Dutch. Soon afterwards Mr. DISRAELI recognized his mistake in bidding against Mr. GLADSTONE in the matter of the Income Tax, and he might previously have known that the constituencies cared as little as himself for supposed diplomatic miscarriages in the Straits of Malacca. Any verbal indiscretion, however, which Mr. DISRAELI might have committed was readily condoned by his party in consideration of the apparent sagacity displayed in his forecast of the results of household suffrage. To the general astonishment, it was found that the undoubted Conservative reaction among the middle classes derived support from a large section of the new electors ; and the advocates of the Ballot discovered that they had weakened other forms of influence besides those of rank and property. Time alone can show whether the success of the Conservative Party will be permanent, as it was undoubtedly complete and decisive. The exclusion of some veteran members was regretted, even by their political opponents. Mr. BOUVERIE's Parliamentary experience, his knowledge, and his independence have been missed in the last Session, and Mr. OSBORNE was always appreciated in a House not too amply provided with opportunities of amusement. Mr. FAWCETT, soon after his rejection by his former constituents at Brighton, found a seat in the populous borough

of Hackney. Only three weeks elapsed from the commencement of Mr. GLADSTONE's gratuitous experiment to the completion of the political suicide of his Government, and, for the time, of his Party. If he was himself the sole author of the actual catastrophe, injudicious colleagues and over-zealous adherents had concurred in rendering it inevitable. Mr. DISRAELI completed his Cabinet early in March, and no change has hitherto been made in its composition.

If Parliament had met in the usual course, Mr. GLADSTONE and his colleagues would have had the satisfaction of announcing, shortly after the opening of the Session, the successful termination of the Ashantee War. Sir GARNET WOLSELEY, who had arrived on the Gold Coast in advance of his troops, commenced his inland march in the last days of 1873, and Captain GLOVER in the east, and other officers in the west, were commissioned to raise native levies with which they were to effect a diversion as all the separate forces converged on the capital. The natives, with few exceptions, proved utterly worthless as auxiliaries, and there was great difficulty in retaining the bearers and camp followers, whose services were indispensable to the army. The resistance offered by the enemy, though it was resolute and obstinate, was overcome without the occurrence of any serious check. After several skirmishes the Ashantees made a final stand in the neighbourhood of the capital; and, after defeating the enemy, Sir GARNET WOLSELEY, on the 5th of February, entered Coomassie and received the submission of the KING, who agreed to appoint Commissioners to conclude a treaty. After a stay of three or four days, Sir GARNET WOLSELEY thought it prudent to begin his return march, and he halted at Adamsi to await the Ashantee agents. The KING's fidelity to his engagements was confirmed by the arrival of

Captain GLOVER with his contingent on the north of Coomassie, though he had not yet been able to open communications with the General-in-Chief. Captain GLOVER afterwards marched through the capital to the coast without opposition ; and the European troops were re-embarked, in accordance with the original plan, before the commencement of the unhealthy season. Many valuable lives were sacrificed, and some of the survivors suffered from disease ; but the success of the Expedition justified the confidence which had been reposed in the Commander-in-Chief and in his officers and men. By the treaty which he was compelled to sign, the KING renounced all claim of sovereignty over the tribes under the English Protectorate ; and some of his own provincial chiefs took the opportunity of renouncing their allegiance. There seems reason to believe that the Ashantee power is broken by the capture of Coomassie, and by its consequences ; and some time will elapse before the King of ASHANTEE or any other native potentate will be strong enough to make himself troublesome. After some hesitation, the English Government resolved to retain the settlements on the Coast as a Crown colony, and, in view of possible complications, to convert the neighbouring districts into a Protectorate rather than a Dominion. That the limits of control and interference will be exclusively determined by the protecting Power has already been made known to the native tribes. By Lord CARNARVON'S directions, the English Government has publicly informed the assembled chiefs that no purchase or sale of slaves will henceforth be permitted, and that, although domestic relations will not be violently disturbed, the law will take no cognizance of the right of a master to the possession of his slave.

While the war in Africa was in progress, and after its close, a still graver anxiety weighed on the

English Government, and more directly on the Viceroy of INDIA. The insufficiency of the autumn rainfall had rendered inevitable the failure of the crops in portions of Bengal and Behar, containing a population of many millions ; the disastrous results of the Famine of 1866 in Orissa were fresh in the recollection of all ; and it was known that in former times the range of famine and its effects had been far wider. Both the VICEROY and the Lieutenant-Governor of BENGAL were deeply impressed with the necessity of taking ample and timely precautions against the impending calamity ; but it was known that they differed on some points of detail, and especially on the question of prohibiting or allowing the export of rice. Lord NORTHBROOK considered that even in the actual crisis it was inexpedient to disturb the ordinary course of trade, while Sir GEORGE CAMPBELL held it to be an anomaly that food should be sent abroad when it would, perhaps, be urgently required in the distressed districts. Both the Duke of ARGYLL and his successor, Lord SALISBURY, approved the judgment of the VICEROY ; and there was not at any subsequent time a deficiency of food, although great difficulty was encountered and vast expense incurred in distributing the Government stores, by sale, in the form of wages, and sometimes as gifts, among the distressed population. Sir GEORGE CAMPBELL, who was charged with the organization of the system of relief, and Sir RICHARD TEMPLE, who succeeded him when he was unwillingly compelled by illness to resign his post, displayed a faculty of administration and an indefatigable energy which are characteristic of the best class of Indian statesmen. They had to establish relief works on a great scale, to provide by other means for those classes which, according to the customs of the country, could not be expected to work, to stimulate the liberality of the native gentry, who

often responded satisfactorily to their appeals, and to control the enormous expenditure which was required for purchases, for conveyance, and for distribution. It was found necessary to supply with food, not only the English subjects in the distressed districts, but the starving inhabitants of the neighbouring provinces of Nepaul. The efforts of the VICEROY and of the LIEUTENANT-GOVERNOR were vigorously seconded by officers of all ranks, and, while the provision against famine has imposed a heavy burden on the finances of India, the mortality which would have otherwise occurred has been effectually averted. It is impossible to apportion the comparative operation of the scarcity and of other causes in producing disease and death, but probably fewer persons died of starvation in Bengal and Behar during the continuance of the relief system than in an ordinary year. The costly triumph of beneficent administration has even suggested to some gloomy theorists a doubt whether the Supreme Government confers an unmixed advantage on India by counteracting the natural checks on excessive population which operated formerly in the shape of famine and slaughter. In that great and complex Empire, however, fresh causes of anxiety are continually arising. It is thought that there are symptoms of uneasiness among the most warlike of the Hindoo races, and that the Mahratta Princes are either combining for defence against some unknown danger or engaging in suspicious intrigues. Any anxiety which may be felt is probably founded only on a conjectural interpretation of events which will not have failed to receive due attention from the Indian Government. The Guicowar of BARODA has lately been informed that he will be deprived of his authority unless the misgovernment of his State is effectually corrected. Since the date of the warning an attempt has been made to poison the Resi-

dent, Colonel PHAYRE, who officially communicated to the GUICOWAR the determination of the Government. Whether the crime has any political significance can only be known when its origin is ascertained. In a corrupt Indian Court there must be many unscrupulous persons who are personally interested in the continuance of existing abuses. In the course of the autumn SCINDIAH, Maharajah of Gwalior, produced universal excitement by informing the English Resident at his Court that NANA SAHIB had voluntarily surrendered himself into his custody. It was understood that the MAHARAJAH himself had identified the prisoner, and other native witnesses professed to recognize his person. After a faint attempt to extort a pledge that the man's life would be spared, the alleged criminal was given over to the English authorities, and the result of a secret inquiry which has since been instituted is not yet positively known. At present it seems probable that the prisoner has, for some unknown reason, practised an imposition. The notorious Rajah of BITHOOR was, as the adopted son of the late Peishwa of the Mahrattas, a pretender to the rank which was formerly associated with supreme power in the Confederacy. The Peishwas, who were, like many other Indian potentates, usurping Ministers, had superseded the authority of the descendants of SEVAJEE. Their sovereignty, though it was terminated by the English conquest, may perhaps still be respected by some of the descendants of their former subjects; and it is possible that SCINDIAH and HOLKAR, both representing successful military adventurers, may regard with jealousy claims to a title once higher than their own. The two great Mahratta chiefs have since held a ceremonious interview on their common frontier. If they were engaged in a conspiracy against the Imperial Government, they would probably not select the most ostentatious

method of proclaiming the unity of their counsels. In the early part of the year Mr. FORSYTH, who had been sent to Kashgar for the purpose, concluded a commercial treaty with YAKOOB BEG, Ruler of Eastern Turkestan. The only military operation in India has been an Expedition, now in progress, against some troublesome hill tribes in the neighbourhood of Assam; but the affairs of Afghanistan once more forebode political complications. The AMEER SHERE ALI having at last with difficulty persuaded his eldest son, YAKOOB, to visit Cabul, has treacherously put him in prison. A statement that the Indian Government had recommended YAKOOB to accept his father's safe conduct has been officially contradicted; but the bad faith of a Ruler who has received signal favours from the Government is in many ways embarrassing. The AMEER pretends that YAKOOB was intriguing with Persia for the surrender of his stronghold of Herat, but there can be little doubt that his own perfidy was prompted by his desire to secure the succession for his favourite son, ABDOOLA. There is too much reason to fear that YAKOOB, who is a man of spirit and ability, may, though released, become disaffected, not only, as he has already been, to the AMEER, but to the protecting Power. In the farther East, though nothing has occurred directly affecting European interests, a contest seemed until lately to be impending which might perhaps have produced important results. The Japanese Government, some time since, sent a naval expedition to punish the savage inhabitants of Formosa for outrages committed against the crews of shipwrecked vessels. When the object was accomplished the Government of Peking remonstrated against the interference of Japan with a Chinese dependency, and a quarrel ensued which seemed likely to result in war. The Japanese possess an ironclad squadron which for the present

gives them superiority at sea. The necessity of exertion has at last overcome the resistance of China to at least one European innovation. Permission was given to the local authorities to work coal mines for the service of the fleet, and it may be presumed that railways to convey the coal to the vessels will also be found indispensable. In the present day, as in former times, war and commerce are among the most conspicuous instruments of civilization. It remains to be seen whether tardy acquiescence in inevitable changes will outlast the immediate pressure of necessity. An immediate collision has been averted by a treaty by which the Japanese agree to evacuate Formosa on the receipt of a considerable sum from the Chinese Government.

In the absence of domestic excitement in England, political observers have been at leisure to watch the confused conflict of parties in France and the tedious Civil War in Spain. Except that one year of the Provisional Septennate has already elapsed, the prospect of a constitutional settlement of the French Government seems as remote as at the beginning of the year. The determination of the Assembly to assert its own supremacy and to prolong its existence has been rewarded by the admission of representatives of all parties, including GAMBETTA, that it possesses constituent power. Unfortunately, the attribute which is now recognized remains absolutely useless, because no majority can be formed strong enough to undertake organic legislation. The Comte DE CHAMBORD is still allowed to dictate to sixty or seventy members forming the Extreme Right a policy which, except in its negative operation as an impediment to rational measures, is wholly impracticable. The Orleanists, hampered by the submission of the Comte DE PARIS to the head of his family, are compelled to content themselves with administering the

Government of Marshal MACMAHON. Under their denomination of Right Centre they are constantly negotiating with their former friends, now of the Left Centre, who have adopted a Republic in the belief that Constitutional Monarchy is impossible, and the Orleanists sometimes find themselves unavoidably acting in concert with their inveterate enemies, the supporters of the Empire. The Left Centre seemed within reach of success when, in May, their leader, M. CASIMIR PERIER, obtained by a small majority the reference to a Committee of a motion for the establishment of a Republic under the Presidency of Marshal MACMAHON. In the same sitting the Duc DE BISACCIA, then Ambassador in London, moved a Resolution that the Government was a Monarchy under HENRY V. All questions are at present so commonly considered "open" in France, that the DUKE seemed surprised at the consequent request that he would tender his resignation. The weakness of the Left Centre consists in its relation to the Republican Left. Although M. GAMBETTA has shown much discretion in avoiding any language which might separate him from M. THIERS and M. CASIMIR PERIER, the dread of Jacobinism is widely spread among the French middle classes. The Extreme Republicans have acquiesced for the most part in the self-denying policy of their leaders, but at the recent Municipal Elections they determined to show their strength by returning Councillors of their own colour in all the great towns of France. They succeeded in proving that the great majority of the urban population was Republican, but not that it inclined to moderate opinions. In consequence, the Left Centre has withdrawn in some degree from its alliance with the Left, and overtures are from day to day on both sides tendered and rejected by the two divisions which form the Centre. In the general anarchy of parties the

Bonapartists have come boldly forward as competitors with the Republicans for the support of the mass of the population. Their numbers in the Assembly are small, but the functionaries who served the Empire still hold many administrative posts; and it is not forgotten that on the eve of the war a vast majority of the whole community voted in favour of NAPOLEON III. The principal leaders of the party took the opportunity of the PRINCE IMPERIAL's eighteenth birthday to pay him a visit of congratulation at Chiselhurst, and the young PRINCE replied to their addresses in phrases of the well-known Imperial type, which were probably composed by some experienced follower of his father. From the retirement of M. THIERS to the latest modification of the Ministry, one or more Bonapartists had been included in Marshal MAC-MAHON's Cabinet; but the party now threatens open opposition. In Calvados, and in some other Departments, Bonapartist candidates have defeated their opponents at elections for the Assembly, with the result of reuniting for the time some of the discordant Republican sections. Prince JEROME NAPOLEON has characteristically taken occasion to detach himself from the cause of the PRINCE IMPERIAL, in the hope, it is supposed, of becoming himself the head of a Bonapartist democracy. It is not likely that his efforts will cause any serious embarrassments to the genuine Imperialists. In the month of May the Duc DE BROGLIE, who had directed the policy of the Government since the fall of M. THIERS, introduced a project of a new Constitution, including the establishment of a Grand Council, or Second Chamber, which was to be invested with the power of dissolving the Assembly. Having been defeated on a question of procedure, the Minister resigned, and the Assembly has never seriously resumed the discussion of the Constitutional Laws. Some of the members of the Duc DE

BROGLIE's Cabinet retained office under General DE CISSEY, but two months afterwards M. MAGNE resigned in consequence of an adverse vote on a financial question, and he was accompanied into retirement by his Bonapartist colleague, M. DE FORTOU. The Duc DECAZES has administered Foreign Affairs both under the Duc DE BROGLIE and under General DE CISSEY with prudence and success. A violent Ultramontane journal, which had published offensive Pastorals addressed by two Bishops to Catholics in Alsace and Lorraine, was suspended, in deference to the just remonstrances of the German Government. The FOREIGN MINISTER has taken every suitable opportunity of expressing friendly feelings to Italy, and he has withdrawn a frigate which had since the time of the French occupation been stationed at Civita Vecchia, with the professed object of providing a refuge for the POPE. When the German Government proposed to recognize Marshal SERRANO's title, France, in concert with England, concurred in the same policy, and the Duc DECAZES returned a temperate and conciliatory answer to the remonstrances of the Government of Madrid against its alleged encouragement of the Carlist insurrection. Marshal MACMAHON, in an Order of the Day to the Army, and in speeches made during a tour in the Western Provinces, has repeatedly announced his determination to maintain, against all opposition, the power which he has received from the Assembly to the end of the term of seven years. With the exception of the Legitimists, and of a small section of Extreme Republicans, all parties have sufficient reasons for supporting the Septennate. The Imperialists prefer that a popular vote should be taken when the PRINCE IMPERIAL has attained full age ; the Orleanists are powerless as long as the Comte DE CHAMBORD lives ; and M. GAMBETTA is ready on behalf of the Republicans to support the

authority of the MARSHAL on condition that the Republic is proclaimed. The Extreme Right alone refuses to compromise even for a day the infeasible claims of the legitimate King. The Comte DE CHAMBORD might perhaps consent to delegate his authority to a Lieutenant-General of the Kingdom, but while he lives, in his own estimation and in that of his docile adherents, there can be no other supreme chief of the Executive Government. It is at present impossible to calculate how long the dead lock of parties may last. All the sections of the Right and the majority of the Centre are opposed to a Dissolution, and even the Republicans, though a general election would bring them large reinforcements, doubt whether they would secure a working majority, and fear a possible increase of the strength of the Bonapartists. The moderate Republicans are perhaps still more afraid of the preponderance of the extreme faction, for the result of the Municipal Elections has revived the alarm which was caused in 1873 by the election of M. BARODET for Paris. In the course of the year attention was temporarily diverted from current political questions by two curious and similar occurrences. M. ROCHEFORT escaped from his remote place of confinement in New Caledonia, and ex-Marshal BAZAINE from the island of St. Marguerite. Neither event is likely to have any practical importance. The genius of lampooning which shook the Imperial fabric has no longer an object, and the sentence of the Court-Martial scarcely increased the dislike and distrust which were provoked by the surrender of Metz and the capitulation of the last of the regular armies of France. Two veteran writers, one of them also a conspicuous statesman, died within the year. As a historian of mediæval France, MICHELET deserved the popularity which he earned by his animated and picturesque narrative. In his minor works he gave eloquent expres-

sion to the prejudices with which he had been imbued in his youth. Fully believing in all the apocryphal legends of the Revolution, he constantly preached the doctrines of Democratic equality at home and French domination abroad. With the exception of BERANGER and THIERS few writers have done so much to cultivate the national spirit of restlessness which ended in the disasters of Sedan and Metz and the loss of Alsace. M. GUIZOT did more in his youth for historical knowledge, and during the eighteen years of the ORLEANS Monarchy he was the most powerful of French politicians. He had great knowledge of public business, Parliamentary eloquence of a high order, a fixed dislike both of despotism and of revolution, and a serene confidence in his own virtue, which rendered him incapable of feeling a scruple or of making a recantation. Although he was the chief author of one crime which stands almost alone among deeds of political baseness, and although his obstinacy was the immediate cause of the fall of the Monarchy, M. GUIZOT's Memoirs, written in his retirement, are penetrated with the conviction that he never committed either a blunder or a moral error. He dilates with peculiar complacency on the intrigue by which he deliberately rendered the Queen of SPAIN miserable for life in the hope of securing the succession to the children of a French Prince. He told the Chamber of Deputies that the Spanish marriage was the first great achievement which France had accomplished alone since the Revolution of 1830. An austere Protestant, M. GUIZOT was a cordial supporter of the Temporal Power, and of the influence of the Catholic Church; he favoured the Sonderbund in Switzerland, and he was hostile to the unity and independence of Italy. It seemed that he was anxious to redeem the unpopularity which he had honourably acquired when he followed LOUIS XVIII. to Ghent by affecting to

share some of the most mischievous delusions of his countrymen ; but it will be remembered to his credit that he took a principal part in thwarting the warlike policy of M. THIERS in 1840.

The condition of Spain during the year, though neither satisfactory nor hopeful, may perhaps justify sanguine patriots in believing that the worst is over. The Government has obtained from the majority of European Powers the recognition which was withheld from a succession of Republican declaimers ; no disaster so great as the revolt of Cartagena has recurred ; and the army, which had been almost destroyed by democratic agitation, has been reorganized and raised to a respectable force. The credit of the beneficial change is principally due to the resolution of General PAVIA, who in the first days of the year turned the incapable and factious Cortes out of doors. After the successive miscarriages of FIGUERAS and SALMERON, Señor CASTELAR had rendered the conduct of public affairs temporarily possible by suspending for six months the sitting of the Cortes, and that impracticable body, when it reassembled, on the 2d of January, refused a vote of confidence to CASTELAR, who was the only possible Republican President. As Captain-General of Madrid, General PAVIA forcibly dissolved the Cortes, and appointed a Provisional Government, of which SERRANO, TOPETE, and SAGASTA were the principal members. Marshal SERRANO, who had a few months before escaped in disguise from Madrid, was soon afterwards raised by his colleagues to the post of Chief of the Executive Power. The Republic, though it has never been formally abolished, remains in abeyance, and its existence was not noticed by any of the Powers which have now recognized SERRANO's Government. Soon after the fall of CASTELAR, the insurgents of Cartagena, having lost all hope of connivance or complicity from their friends in the Cortes, sur-

rendered to General LOPEZ DOMINGUEZ. The whole army has consequently been disposable for operations against the Carlists, but no decisive success has yet been obtained. In the latter part of February General MORIONES was defeated in an attempt to penetrate the strong lines of Somorrostro for the purpose of raising the blockade of Bilbao. SERRANO, in consequence, left Madrid to assume the chief command, and all the available forces of the Government were despatched to the scene of action. It was not till the end of April that SERRANO found himself strong enough to attack Somorrostro, while his second in command, General CONCHA, by a flank movement on Valmaseda, compelled the blockading force to retreat, and entered Bilbao. Having, with the aid of his Lieutenant, accomplished the relief of Bilbao, the Chief of the Government returned to the capital, while General CONCHA prosecuted the campaign with a vigour seldom displayed by Spanish Generals. In the latter part of June, in an advance on Estella, where the Carlists had established their head-quarters, CONCHA was killed in action, and his troops were defeated with heavy loss. From this time the war languished during the summer and the early part of the autumn. The Carlists occupied a portion of Biscay, Guipuzcoa, and Navarre, and they made frequent incursions into the neighbouring provinces without attaining any permanent result. From their positions in the mountains they cut off communication with Pampeluna, and after long delay they commenced the siege of Irun at the beginning of November. Their procrastination had enabled the Government in some degree to repair its losses. General LASERNA, who had succeeded to the chief command, despatched General LOMA by sea to St. Sebastian, and, as at Bilbao, the besiegers abandoned the enterprise which they had conducted with so little energy. & the Generals

had not given credit to an exaggerated report of the strength of the relieving force, Irun must have surrendered before LOMA could have begun operations. Fortunately for the Carlists, their opponents are not less incapable than themselves of sustained and vigorous efforts. Instead of pressing the defeated enemy and opening a way by Tolosa to the relief of Pampeluna, LASERNA gave the Carlist leaders time to make the mountain roads impassable. Early in December, Marshal SERRANO once more left Madrid to assume the chief command of an army which is said to number 50,000 men, in addition to the reserves and necessary garrisons. It is naturally supposed that the Chief of the Government must have reason to anticipate a success which would justify his personal intervention; but the natural strength of the positions held by the Carlists in the mountains and the quality of their best troops will offer serious obstacles to a superior force. The Government of Madrid derived an unexpected political advantage from an incident which occurred immediately after the death of CONCHA. The Carlists captured and shot a newspaper correspondent who held the commission of Captain in the German Army, and there was some reason to believe that their ferocity was stimulated by his character as a foreigner and a Protestant. Prince BISMARCK afterwards told the German Parliament that he would by choice have adopted stringent measures of retaliation; but ultimately he decided, as a reproof to the Carlists, to accord to the Government of Madrid the recognition which had been withheld since the establishment of the Republic. After some negotiation, England, France, Austria, Italy, and the minor Powers agreed to a measure which was strictly accordant with modern international policy. The whole of Spain, with the exception of the districts occupied by the Carlists, had acknowledged the Government of Madrid, and

it is not the business of foreigners to interfere in domestic questions. It was remarked that the German and Austrian Ministers were personally accredited to Marshal SERRANO ; while England and France, more consistently and more courteously, recognized his Government as it may be administered either by himself or by his successors. Russia alone holds aloof, either through distaste for Revolutionary Governments, or, perhaps, for the purpose of proving that an independent policy is not incompatible with a German alliance. It is understood that the three Imperial Courts are agreed as to Eastern affairs, and as to the expediency of maintaining peace on the Continent ; yet Russia declined to follow Prince BISMARCK in his Spanish policy, and the Emperor ALEXANDER has lately taken occasion to pay a marked compliment to the Chief of the French Government.

The conflict between the State and the Roman Catholic Church in Germany has continued with unabated acrimony. An election in the early part of the year gave the Government a majority of 100 in the German Parliament, but the Catholic party gained 60 seats. A measure for still further increasing the national force by fixing the peace establishment at 400,000 men, was opposed by the Catholics and Extreme Liberals ; and the Chancellor has on more than one occasion been dissatisfied with the unsteadiness of his Ministerial majority. The new Ecclesiastical Laws have been enforced with rigour. Bishops have been fined and imprisoned for contumacy, and Priests have sometimes been arrested in their churches, but there has hitherto been no general display of irritation among the Catholic laity. An obscure fanatic, however, made an attempt on the life of Prince BISMARCK, and excused his crime by asserting that he belonged to the party which is known in Parliament as the Catholic Centre. In an angry debate the Chan-

cellor committed the mistake of quoting the assassin's declaration in proof of the complicity of the Catholics in the plot. Although Prince BISMARCK's popularity is unimpaired, there is some reason to believe that his position is not absolutely secure. Universal surprise was excited by the arrest and prosecution of HARRY, Count von ARNIM, lately German Ambassador at Paris. The Count, who was charged with embezzling official documents of various kinds, has been acquitted by the Court of First Instance of the graver offence, but he has been found guilty of a breach of a statutory prohibition against the removal of documents. In the course of the proceedings, the publication of a portion of Prince BISMARCK's correspondence on French affairs proved to be more interesting than the litigation itself. In 1871 the Ambassador had been re-proved for his encouragement of the French Legitimists, and for his objection to an approximation between France and Italy. With more dispassionate sagacity Prince BISMARCK had foreseen that a rupture between France and Italy would involve Germany in war ; and he explained to Count ARNIM that, while a French Republic would seek in vain for allies, Austria would welcome the restoration of Monarchy in France, and even Russia might perhaps intercede on behalf of a French King for a remission of some portion of the Indemnity. The bitter tone of the correspondence derived significance from the fact that Count ARNIM nevertheless retained his post for three years longer. According to Prussian and German practice, an Ambassador acknowledges a divided allegiance, receiving instructions from the Foreign Minister, but holding office at the pleasure of the Sovereign. It seems certain that Prince BISMARCK had not been able to obtain the EMPEROR's consent to the dismissal of an Ambassador who might be considered his own rival. When Germans boast, not without plausible

grounds, of the perfect organization of their Civil Service, they may be fairly reminded, notwithstanding a recent semi-official defence of their diplomatic staff, that in its highest ranks there seems to be a faulty system of discipline. An English Ambassador who disobeyed orders might not be prosecuted three years afterwards in a Criminal Court, but he would be summarily recalled. All parties in France have, as might be expected, used Prince BISMARCK's candid expressions of opinion as a text for reciprocal attacks and recriminations. The Royalists remark that their success would have been unwelcome to the German Minister in 1871, and the Republicans reply that the voluntary publication of his despatches in 1874 proves that his opinions are now reversed. There is, happily, no reason to apprehend at present any serious European complications. Russia and Germany have concurred with Austria in urging the Porte to concede to the Roumanian Government the right of concluding Commercial Conventions, and, as England and France have lately recommended compliance with the demand, Turkey will probably make the concession. While the bonds between Constantinople and the European dependencies are in process of gradual relaxation, Egypt advances in prosperity and power. The troops of the KHEDIVE under Colonel GORDON have annexed the territory of Darfur, which is said to contain a population of five millions, and the construction of a railway from the former Egyptian frontier to Khartoom is to be soon commenced. The extension of a comparatively civilized dominion over a barbarous and misgoverned region may probably be advantageous.

The uneventful diplomatic year has been varied by the assemblage of a Conference at Brussels, on the invitation of the Emperor of RUSSIA, to discuss proposals for the mitigation of the evils of war.

At a time when nearly every Continental Government is engaged in schemes for arming and drilling its whole male population the contingency of war is only too probable. The Russian overture was probably suggested by genuine motives of humanity ; but it would have been unwise to overlook the probability that great military Powers might be influenced by a prejudice in favour of regular armies. With the full concurrence of English public opinion Lord DERBY only consented to take part in the Conference under reserves which were almost equivalent to a refusal. In the first place he stipulated that the Conference should wholly abstain from dealing with maritime warfare ; and he gave notice that the English Government would not consent to any change in International Law. A military delegate was sent to Brussels without the credentials of a plenipotentiary, under orders to take the instructions of his Government on every important question. Baron JOMINI, the Russian plenipotentiary, who presided over the Conference, and General VOIGTS-RHETZ, who represented the German Government, proposed a large extension of the powers of invading armies, and a corresponding restriction of the right of popular defence. The delegates of the Netherlands, of Belgium, and of Switzerland naturally protested against the creation of increased facilities for territorial conquest, and Sir ALFRED HORSFORD, the English delegate, in pursuance of his instructions, reserved all disputed points for the consideration of his Government. The Conference led to no serious result, but the importance which is attached by the Russian Government to its proposals is shown by an invitation to attend a second Conference at St. Petersburg. Neither England nor the minor States will change the policy which they announced at Brussels, but it is thought probable that the three Imperial Courts may agree on the

adoption of rules of war which will be binding on themselves.

While the only exception to the peaceable state of Europe has been furnished by the Civil War in Spain, the Spanish portion of the American Continent has not been more than ordinarily disturbed. The rebellion in Cuba neither advances nor recedes. The insurgents have not yet established either an army or a Government, nor have they obtained possession of any considerable town. On the other hand, the Captain-General is unable to extend his authority over the interior of the island, and the drain for reinforcements of the Colonial Army forms a serious addition to the difficulties of the Mother Country. The President of the UNITED STATES, in his recent Message, refers, as usual, to the hopelessness of the restoration of Spanish authority, but the original report, which attributed to him the use of strangely threatening language, has been refuted by the text of the Message, and there is no immediate reason to apprehend American interference. The Republic of Guatemala has made atonement by apology and compensation for an outrage on an English Vice-Consul. The Government of Chili still delays satisfaction for a similar offence. There is a Civil War in Venezuela, and one of the same character has been disturbing Peru. An insurrection against a new President of the Argentine Confederation has been terminated by the easy defeat and submission of the leader, General MITRE. In the United States an election for Congress has disclosed a reaction against the Republican party which bears a superficial resemblance to the defeat of the Liberals in England. The causes of the political change are both complex and intelligible. The Republicans have administered public affairs without an interval since the accession of Mr. LINCOLN in 1861. The success of their policy during the war confirmed their power, and,

as usual, security led to presumption and abuse. The Federal Government and the majority of Congress countenanced the proceedings of unprincipled Northern adventurers who, by means of the franchise recently conferred on the negroes, obtained control of the Government in many of the Southern States. In Louisiana a Judge of the Supreme Court recognized the Republican Government which had been fraudulently elected, and by order of the PRESIDENT the Federal troops enforced his decision. Many of the Republican leaders in Congress exposed themselves to well-founded charges of personal corruption, and the majority provoked popular indignation by voting to themselves and to the PRESIDENT an increase of salary, with arrears from the date of the last election. Mr. SUMNER, always a busy and intolerant philanthropist, introduced into the Senate a Civil Rights Bill which purported to confer on the negroes civil equality in schools, in the right to the use of public conveyances, and in all social relations which could be reached by law. After his death, which occurred early in the year, his friends paid an injudicious compliment to his memory by forcing the Civil Rights Bill through the Senate, but it failed to receive the sanction of the House. It was known that the PRESIDENT was prepared to interpose his veto, nor could any measure be more distasteful to the community at large. Another cause of dissatisfaction was a suggestion, supposed to proceed from the PRESIDENT himself, that, in violation of uniform custom, he should be re-elected for a third term of office. WASHINGTON had declined a third term, and no such proposal had been made in favour of any of his successors. General GRANT's military services are probably not so fresh in general recollection as at the close of the war; and if he has not conspicuously failed in civil office, he has gained neither in popularity nor in reputation. Some

members of his family have been implicated in the numerous corrupt transactions of the last few years, and the PRESIDENT himself has not shown a scrupulous regard to the characters of his official nominees or of his private associates. In the outgoing Congress, which survives till March, the Republicans have a majority of a hundred. The recently elected Congress will meet in December with a Democratic majority of fifty. The party which unexpectedly succeeds to power is hampered by no political pledges, and it will satisfy the expectations of the constituencies if it avoids the errors and obliquities to which the Republicans owe their defeat. Some surprise was caused by the omission in the PRESIDENT's recent Message to Congress of any reference to a Reciprocity Treaty between the United States and Canada which had been negotiated between Mr. FISH and the English Minister, who was assisted by a Canadian colleague. The former treaty was denounced by the United States Government immediately after the close of the Civil War, partly in consequence of the prevailing irritation, and in great measure through the influence of domestic monopolists. Although the progress of commerce and navigation in Canada has since been extraordinarily rapid, additional freedom of intercourse would be advantageous to both countries. The United States Congress would, perhaps, not be unwilling to reduce the duties on Canadian produce, if security were provided against the influx of English goods. If the Canadians, on the other part, consented to admit imports from the United States at low rates of duties, it would be difficult to withhold corresponding facilities from English trade. Lord DERBY and Lord CARNARVON lately assured a deputation that the Royal assent should not be given to any Canadian Bill by which differential duties might be imposed on English produce. Their declaration may, perhaps, have

disinclined the United States Government to proceed further with the project of the treaty.

Almost the only political occurrence in England since the close of the Session has been the completion of the anticipated annexation of the Fiji Islands. When Lord CARNARVON announced that Sir HERCULES ROBINSON, Governor of New South Wales, had been authorized to make the necessary inquiries and, at his discretion, to accept the cession, there could be little doubt of the result. The Commissioner had only to ascertain that those who professed to represent the islanders consented to withdraw the restrictions which they had attempted to impose and to make an unconditional surrender of all sovereign rights. The islands will be administered by a Governor with ample powers as a Crown Colony, and in time the hopes of the promoters of the annexation will, doubtless, be justified. For the present, the new acquisition has been chiefly useful in providing Mr. DISRAELI with the materials of an eloquent statement that the present Government had already extended the area of the Colonial Empire.

At home trade throughout the year has been dull, although there has been no extreme commercial depression. According to the latest returns the exports have increased in quantity, though not in money value, since prices have, in almost every case declined. The iron trade, which had during two or three previous years been extraordinarily active, had become unremunerative through its own operation in raising the price of coal. Since the beginning of the year ironmasters and workers in iron have been compelled to contract their operations, and a large reduction has been made in the rate of wages. The price of coal also is largely reduced, though it is still much higher than before the recent rise. The large capital which has been expended within a year or two on new pits can

scarcely as yet have increased the supply. In consequence of the high price of coal and iron, and of a large increase both in the rate of wages and in the number of persons employed, railway dividends have been unusually low, and although the effect of the fall in prices will be felt in the accounts of the current half-year, the market value of railway stocks is for the present greatly depreciated. The variations in the rate of discount have extended over a smaller range than in 1873. At the beginning of the year the rate was $4\frac{1}{2}$; in the summer and early autumn it gradually fell to $2\frac{1}{2}$, and it has since risen to the present rate of 6 per cent. There was, for the first time in three or four years, a good wheat harvest, and farmers are tolerably prosperous. Some anxiety has been caused by a strike and lock-out of agricultural labourers in Suffolk, which lasted for three or four months. The movement was caused not so much by local dissatisfaction as by the instigation of the managers of the Union, who had simultaneously instituted a similar operation on a smaller scale in Lincolnshire. The first commencement of the struggle was a strike on some large farms in the neighbourhood of Bury St. Edmunds; and the farmers instantly accepted the challenge by imposing on their men as a condition of employment immediate withdrawal from the Union. The contest was conducted on both sides with unusual pertinacity, and, on the whole, with creditable fairness and good humour. There are few instances of a prolonged cessation of labour during which so few outrages were committed. The result proved that the Union workmen had overrated their own strength and the urgency of their employers' necessities. On every farm there is a superfluous employment of labour, which can be suspended at discretion; the farmers and their sons exerted themselves to do some part of the work of the farm, and it was found possible to

supply to some extent the places of the labourers on strike by substitutes who, if less efficient than the regular hands, were still not wholly useless. The labourers persevered till the harvest, but when they found that the farmers were getting in the corn without their aid they were advised, even by the Council of the Union, to submit to superior force. As in all such cases, the strike and its results only amounted to a costly experiment, by which both parties ascertained the proportion of the supply of labour to the demand. It has at the same time been proved that, among employers of labour, farmers are not the most timid or most pliable. When a vacancy soon afterwards occurred in the representation of the neighbouring county of Cambridge, the tenant farmers almost unanimously chose Mr. RODWELL as their member, in consequence of the active part which he had taken as Chairman of the Associated Farmers of the Bury St. Edmunds district.

Mr. GLADSTONE has occupied his leisure and relieved the dulness of the Recess by the publication of two pamphlets, which could scarcely have been expected to proceed from an ex-Prime Minister and Leader of Opposition. An apology for moderate Ritualism would, perhaps, only have interested readers of historical or ecclesiastical tastes but for a statement that converts to Catholicism since the date of the Vatican Council forfeited their civil freedom and compromised their allegiance. The Irish and Roman Catholic newspapers expressed strong resentment at an imputation which was, independently of its justice, politically indiscreet. The provocation and the reply would probably soon have been forgotten, if Mr. GLADSTONE had not thought fit to vindicate his accuracy by a second pamphlet, in which he earnestly invited Roman Catholics to proclaim their loyalty by repudiating the infallibility of the POPE. If

multitudinous circulation can justify authorship, Mr. GLADSTONE may boast of a literary triumph. It is said that his pamphlet has been sold in larger numbers than the most popular novel, and zealous Nonconformist ministers have congratulated him on statements and arguments which are scarcely those of a thoroughgoing Protestant. The differences between the "Romish" and the Reformed Churches have not been perceptibly aggravated by the decrees of the Vatican Council, but Mr. GLADSTONE has persuaded himself that the spiritual liberty of moderate Roman Catholics has been compromised by the elevation of the theory of infallibility into an obligatory dogma. His generous championship of the rights of a communion which is not his own has been gratefully acknowledged by three or four Roman Catholics of rank and character. Lord ACTON, well known as a favourite pupil of Dr. DÖLLINGER, in discussing Mr. GLADSTONE's propositions with profuse learning, has proved that no possible extravagance of Papal pretensions is without ample precedent. On the other hand, Archbishop MANNING and Monsignor CAPEL have undertaken, with more or less success, to answer Mr. GLADSTONE, who has effected his object in showing that Catholics, like Protestants, are not absolutely unanimous. Whether it was the task of a statesman to demonstrate that some millions of the QUEEN's subjects must be either illogical or disloyal may be pardonably doubted. A possible and probable Minister shows a highly unselfish indifference to his own interest by doing his best to dissolve the alliance of his party with the Roman Catholic members.

The political and literary Obituary of the year is, happily, scanty. Two members of a sect or party of forty years ago, which has lately been recalled to recollection by contemporary memoirs, have died within a few days. Lord ROMILLY, a disciple of the

elder MILL, was a painstaking lawyer, and, as Attorney-General, he framed and carried the important Bill which still regulates the sale of Encumbered Landed Estates in Ireland. During his judicial career of more than twenty years as Master of the Rolls, Lord ROMILLY was indefatigably laborious, and he was rapid—some critics considered too rapid—in his decisions. In his private life Lord ROMILLY worthily sustained the character which he inherited ; and he was a highly cultivated and agreeable member of society. Mr. CHARLES AUSTIN, who accomplished nothing except the accumulation of a large fortune by his professional ability, was, nevertheless, perhaps the most brilliant and one of the ablest men of his time. If he had preferred ambition to profit, he might probably have been Lord Chancellor or Prime Minister, or he might at will have achieved a literary reputation. His forensic powers have never been surpassed, and the few survivors who shared his society in his earlier years always describe him as the acutest and wittiest of men. M. VAN DE WEYER, though a foreigner by birth and in his diplomatic character, had, by long residence and social habits, come to be regarded almost as an Englishman. Having in his youth taken an active part in the Belgian Revolution of 1830, he found easy access to diplomatic employment, for which he possessed remarkable aptitude. Having soon acquired the confidence of King LEOPOLD, he was for many years both the official representative in England of the Belgian Government and the confidential medium of much of the friendly intercourse between the English and Belgian Courts. As his children were from family reasons brought up as English subjects, he identified himself with the interests of his adopted country while he was at the same time an uncompromising Belgian patriot. He was an assiduous book collector and an omnivorous reader,

and his memory on literary and bibliographical matters was rarely at fault. In his later years he sometimes amused himself by indicating the shelf in the Royal Library at Brussels on which some rare work might be found, if it had not been moved since he was the young librarian of the collection. The death of the famous traveller, Dr. LIVINGSTONE, though it occurred some months before, was only known in England in the present year. Originally visiting Africa as a Presbyterian missionary, he soon obeyed the bent of his natural genius by devoting the remainder of his life to geographical discoveries. The hardships and dangers of his long career, and the additions which he made to his special branch of knowledge, are generally known, for scarcely any great traveller has been so fully appreciated in his lifetime. Four or five years ago a report of his death was almost universally believed, though his veteran friend and patron, Sir RODERICK MURCHISON, steadily refused to accept the story as true. It was not till after the death of the gallant old President that Dr. LIVINGSTONE was found, far in the interior, by an adventurous American. He was still bent on completing the task of discovering the sources of the Nile and examining the neighbouring districts, when he at last succumbed to fatigue and disease. His remains were brought to the coast by faithful native attendants, and he has since been fitly honoured with a funeral in Westminster Abbey.

An event which may perhaps deserve notice occurred in the early part of the year. The LORD CHIEF JUSTICE began his summing up on the 169th day of the Tichborne trial ; and the trial ended in the conviction of ARTHUR ORTON on two assignments of perjury on the 188th day. The civil action in which the perjury had been committed had a year before occupied the attention of the late CHIEF JUSTICE of the COMMON PLEAS for several

months. Both trials had excited unprecedented interest; and there had been considerable difference of opinion, even among intelligent persons, until Sir JOHN COLERIDGE, in his elaborate speech for the defendants in the action of ejectment, conclusively exposed the gigantic fraud which had been attempted. From that time the only believers in the claim of ORTON were, with some curious exceptions, to be found among the uneducated multitude, which demanded with an explicable confusion of thought that justice should be done to one of the commonalty who by the very assumption was admitted to be an impostor. The main interest of the whole litigation was derived from the light which was thrown on the infirmity of human memory and human judgment, and from the curious spectacle of an imposture which seemed to acquire plausibility as it grew. The criminal himself only learned his lesson by degrees, displaying singular cunning in extracting information from those who believed themselves to be testing the genuineness of his pretensions. Similar frauds have more than once been attempted, but none have collapsed so slowly. As in the parallel case of popular superstitions, echoes of the fading delusion are still from time to time obscurely heard among the populace.

1875.

The year 1875 will be remembered, not by any striking event, but as the date of some definite stages in the history of political change. A year ago Spain was nominally a Republic, while France hesitated to describe existing institutions by their proper titles. The Eastern Question still slept, with the unanimous and anxious connivance of Europe, and the English Government was exerting its influence at Constantinople to defend shipowners

and freighters against the increased demands of the Suez Canal Company. Both France and Spain have since advanced nearer to the unknown consequences of a long period of transition ; and the Great Powers are unwillingly discussing the methods by which a Turkish catastrophe may be once more averted or postponed. In the domestic politics of England there is little change to record, except that the Government, being one year older, has, partly by the mere lapse of time, and also by some administrative miscarriages, rubbed off some of the gloss of its popularity. The Parliamentary Session had, on the whole, left a balance of credit to the account of the Ministers, and it had definitely confirmed their tenure of office by proving that they had, for the present, no formidable combination to fear. Lord HARTINGTON, whose appointment to the post of Leader of the Opposition is now universally approved, has on more than one occasion, in the course of the Recess, warned his followers that they cannot expect a speedy return to power. In the meantime he prudently teaches them, by precept and example, the expediency of exercising a critical vigilance which has not been deprived of fitting opportunities.

Much uneasiness and some irritation have been created by a series of accidents in the Navy. One costly ironclad man-of-war has been sunk by another ; and there have since been two more accidents, which might have been followed by serious consequences. The decision of a Court-Martial on the loss of the Vanguard was partially reversed by the Admiralty ; and the official inquiries into other untoward events have, consequently, not commanded popular confidence. The same Department was unlucky in issuing an ill-advised document, for which the Foreign Office was, perhaps, really responsible. Local disputes and embarrassments had arisen in some foreign ports, where the presence of English ships of war

offered temptations of escape to slaves. The boatmen at Rio Janeiro and the pearl fishers on the coasts of the Red Sea are for the most part slaves ; and endless quarrels might arise if they were allowed to claim their liberty as often as their occupation took them on board an English cruiser. It was probably expedient to furnish naval officers with instructions of which the purport would have been determined by the exercise of common sense, without need of profound researches into public law. There was no occasion for publicity, nor is it easy to comprehend the motives which induced some indiscreet functionary of the Admiralty or the Foreign Office to provoke a storm of indignation by the issue of an elaborate Circular on Fugitive Slaves. Propositions which were said to be sanctioned by the highest professional authorities might, perhaps, seem to official laymen to be legal, but the weakest political instinct ought to have anticipated the gratuitous unpopularity of the doctrines which were promulgated. Commanders of the QUEEN'S ships were directed not only to refuse an asylum to slaves in foreign waters, but to surrender, on their return to port, fugitives who might have come on board on the high seas. The Circular was instantly denounced on independent grounds by two classes of objectors, who might, jointly or separately, be considered to include the whole community. It was apparently implied in the Circular that an English man-of-war was subject to foreign jurisdiction ; and the national antipathy to slavery was flagrantly disregarded. In disclaiming the right of protecting a guest, or in voluntarily consigning him to slavery, the authors of the Circular were equally guilty of a culpable blunder. The withdrawal of the Circular by the Government was at the same time a reparation of the error and an admission that it had been committed with unaccountable levity. The Opposi-

tion will not fail, when Parliament meets, to exact a strict account of the transaction, which those concerned may find it difficult to render. Fortunately for the Government, the anger which was felt in the country has long since subsided, and it is impossible to reanimate a dead agitation. A few isolated mistakes have little effect on the confidence which is still reposed in many of the present Ministers.

Mr. HARDY has redeemed the pledges which he gave in Parliament by the issue of stringent regulations to prevent the apprehended revival of purchase under colour of the Act for facilitating exchanges. He has also, with the aid of his military advisers, adopted a plan for defence against invasion, which is, perhaps, too ambitiously described as a scheme for the organization of the Army. Eight Army Corps, of which one will consist wholly of regular troops, will on paper form a force of 288,000 men. Three Divisions in each Corps are respectively divided into two Brigades. Of 36,000 men in each Army Corps, 23,000 are to be Infantry. Provision is to be made for a small army of 40,000 men available for foreign service. The remainder are assigned to certain districts and posts which have been carefully selected for the purpose of national defence. In the remote contingency of a threatened invasion, the knowledge that the heads of the Army are prepared to take the necessary measures would tend to prevent mischievous panics. That it is impossible for an army which depends on voluntary recruiting to compete in numbers with the vast establishments of Continental Powers is no new discovery to friends or rivals.

Lord CARNARVON's administration of the Colonial Office gives general satisfaction, though one of his projects has been temporarily defeated, or, perhaps, it may rather be said, suspended. In the early part of the year he proposed, in a despatch addressed to the Governor of the Cape,

that a Conference should be held of Delegates from Natal, West Griqualand, and the Eastern and Western Provinces of the Cape, and that the Dutch Free States should also be invited to take part in the proceedings. The most urgent matter for consideration was the adoption of some common policy towards the natives of the interior. In Natal, where the Caffres outnumber the European inhabitants in the proportion of ten to one, an alleged attempt at insurrection had recently been punished with undue severity. It seemed a natural precaution against the risk of a native war that all the English and Dutch communities should agree on their relations with the natives in peace, and that they should provide a common defence in time of war. To meet the special case of Natal, Lord CARNARVON appointed Sir GARNET WOLSELEY as temporary Governor, with instructions to remodel the Provincial Constitution by giving a preponderance in the Council to the nominees of the CROWN. The people of Natal had the good sense to accept the proposed arrangement ; and they would have offered no objection to the plan of a Conference even if the Government of a Crown Colony had not itself been competent to form a decision. Lord CARNARVON proposed to leave in the discretion of the Delegates the question whether they would consider the possibility and expediency of a South African Federation. His own judgment, that union would promote the prosperity of the several Colonies and Republics, was plainly intimated. As the scheme has since been in a measure withdrawn, the formal answer of the Dutch Republics to the invitation has not been received. In the case of the Orange Free State a preliminary objection would probably have been taken to the recognition of West Griqualand with its present limits. A part of the territory is claimed by the Free State, and an arbitration on the dispute

is pending. The reception of the despatch at the Cape caused surprise and disappointment. The Ministers of the Colony laid the despatch before the Assembly, with an adverse Minute of their own appended to it, and the Chief Minister, Mr. MOLTENO, in his speech attacked Lord CARNARVON'S policy with extreme asperity. One objection urged was the recommendation of certain persons, of whom Mr. MOLTENO himself was one, for the office of Delegate. The Ministers all complained, not without a show of reason, that the separate representation of the Eastern and Western Provinces was inconsistent with the unity of the Colony. Less stress was laid in argument on substantial reasons, which may nevertheless have determined the rejection of the proposal. The Cape is strong enough to protect itself against native incursions, and the Colonies may, perhaps, have wished that the defence of its weaker neighbours should devolve on the Imperial Government rather than on themselves. The policy and conduct of Mr. MOLTENO and his colleagues were strongly censured by their opponents, and there has been no opportunity of ascertaining by a general election whether the Ministers were supported by a preponderance of public opinion. After a prorogation, the Legislature was again convoked late in the autumn, and it was expected that if the Ministers again obtained a majority the Governor would resort to a Dissolution. In the meantime Mr. FROUDE, who had been provisionally designated by Lord CARNARVON as his own representative at the proposed Conference, undertook a political tour, in which he defended the policy of his chief against the objections of the Colonial Ministry. It is possible that he may have won over proselytes to the scheme of federation, but the agitation furnished Mr. MOLTENO with a new and well-founded ground of remonstrance. Mr. FROUDE'S semi-official ambiguous position

could alone excuse an interference in the affairs of a self-governing Colony, which would have been an encroachment on the part of an acknowledged agent of the Imperial Government. When responsible government has once been conceded the Secretary of State for the Colonies knows only the Government who represents the CROWN and the Ministers who must be presumed to possess the confidence of the Legislature and the constituency. If Mr. FROUDE's reasoning had amounted to demonstration of the error of the Colonial Ministers, it would not the less have been an anomalous criticism, if he had been authorized to speak on behalf of Lord CARNARVON. The Legislative Council approved, by a decided majority, the proposed Conference. In the Assembly Mr. MOLTEÑO moved a resolution which amounted to a vote of censure on Lord CARNARVON. But while the debate was still proceeding, the Governor received instructions to withdraw the scheme, and the Cape Government accepted an Amendment which committed the Colony to nothing. It is not to be regretted that a conflict was avoided. The attachment of modern English colonists to the mother country is a sentiment as delicate and irritable as it is genuine. Persistence would have placed the Imperial Government in a position of antagonism to a part, and perhaps to the majority, of the community. The interests which Lord CARNARVON had desired to promote were those of the colonists themselves, and if his judgment of the expediency of common action is sound it will probably be sooner or later voluntarily adopted. It was, as Lord CARNARVON himself remarked, doubtful whether a scheme of settlement in New Guinea, and a strange project of converting the Sahara into an inland sea, properly belonged to his Department. He nevertheless took the opportunity of warning the New Guinea projectors that they would receive from the English Government neither protection

nor future recognition of any pretended rights or titles if a regular settlement should hereafter be made on the island. One recent and doubtful addition to the Colonial system has caused serious trouble.

The petty States of the Malay Peninsula have for some years had dealings with the English settlements at Singapore and Penang, and the Chinese immigrants, who have passed in great numbers from the islands to the mainland, have established various relations of friendship and enmity with the native population. The Malay chiefs were sometimes at war with one another, and sometimes they had quarrels with the Chinese, and in some places the Chinese were sufficiently numerous and strong to have little civil wars of their own. One result of the petty warfare was the prevalence of piracy, which it became the business of the English ships on the station to control or suppress. The Colonial Office consistently directed its subordinates to keep aloof from the complications of the Malay States ; but at last Sir ANDREW CLARKE, the Governor of the Straits Settlements, thought it necessary in some cases to adopt the Indian policy of maintaining peace and order by the appointment of English Residents at the native Courts. The results of a disputed succession induced his successor, Sir WILLIAM JERVOIS, to accept a surrender of sovereignty from the Sultan or Pretender of Perak ; and Mr. BIRCH, the Secretary, an officer of character and experience, proceeded to give notice of the change. Some of the Government placards were torn down ; Mr. BIRCH himself was attacked and murdered ; and a small force was repelled in an attack on a stockade. Reinforcements were immediately despatched from England and from India, and there is reason to hope that the rising, instead of extending over the Malay Peninsula, will be confined to the district where it began. Troublesome experience proves that it is

as difficult in the British as in the Roman Empire to keep every door and wicket in the Temple of JANUS permanently closed.

A more serious struggle in the far East has happily been averted or postponed. Early in the year the unfriendly disposition of the King of BURMAH caused the Indian Government to strengthen its forces in the British Province, and the Viceroy despatched a special Mission to Mandalay. An English expedition had shortly before been compelled to return from the adjacent Chinese district, after the murder of one of its members, Mr. MARGARY. A Chinese officer of high rank, who was believed to have been the principal author of the outrage, had been lately received with unusual honours at Mandalay. The Envoy, Sir D. FORSYTH, was instructed to demand explanations, and to obtain a recognition of the independence of some border tribes which had placed themselves under British protection. The King of BURMAH's formal explanations of his reception of the Chinese dignitary were necessarily accepted, and the question of the borderers was settled without difficulty. Various acts of interference with trade in violation of former Treaties were disavowed, but the disposition of the KING still remained doubtful. Burmah would not, in case of war, be a formidable enemy, but it was evident that the Court was waiting to ascertain the policy of Peking. It is still uncertain whether the murder of Mr. MARGARY and the repulse of the Mission were due to provincial jealousy or were the result of Imperial orders. The eventual decision of the King of BURMAH depended on the negotiations which were pending with the Government of China. At the beginning of the year the young Emperor of CHINA had suddenly died, and the succession passed to a child, while the Government was nominally or really administered by the two Empresses, his mother and

grandmother. One result of Court intrigues, which are still imperfectly understood, was a diminution of the influence of Prince KUNG, who has for many years principally directed the affairs of the Empire. Little disposition was shown to afford redress for the MARGARY outrage, and the mercantile community of Shanghai complained even more than ordinarily of infringements of the Treaties. Mr. WADE, the English Minister, insisted both on an official investigation of the murder, and on the publication in the *Pekin Gazette* of the text of the Foreign Treaties. The Chinese Government has always evaded an obligation which would have brought to the knowledge of the mass of the people the equal rights which had under pressure been long since conceded to foreigners. The negotiations lasted for several months ; and when the English Minister at last presented an *ultimatum*, with the alternative of a declaration of war, the resolution of the Chinese Government was still doubtful. It was known that large stores of arms and munitions had been imported from Europe, and it was said that the military Mandarins thought that their troops were competent to meet Europeans in the field. At the last moment the Imperial Government prudently submitted both to the official publication of documents and to the inquiry into the murder. Two members of the English Legation take part in the investigation ; and it is hoped that peace is for the present secured. The subsidiary dispute with Burmah was easily settled as soon as the Court of Peking determined to give way. With the exception of the petty Malay War, England is at peace in all parts of the world.

One of the troublesome complications which from time to time beset the Indian Empire was aggravated by a mistaken experiment. The Guikwar of BARODA, a tyrannical voluptuary of the worst Oriental type, was, early in the year, warned by the Supreme

Government that in default of amendment within limited term he would be removed from his throne. Shortly afterwards the GUIKWAR was arrested on a charge of attempting to poison the Resident, Colonel PHAYRE, and the VICEROY resolved that a public inquiry into his conduct should be held before a mixed tribunal. Three natives of the highest rank, of whom SCINDIAH, Maharajah of Gwalior, was one, were associated with the same number of English political and judicial officers. Although the proceeding was not a trial, but a mere inquiry by a Commission for the information of the Supreme Government, it was conducted according to the English method, and the GUIKWAR was defended by an eminent English advocate, who cross-examined the witnesses with unlimited latitude and practised ability. The consequence was that the native members of the Court expressed doubts of the guilt of the accused, which seem not to have been shared by their English colleagues. The responsibility of a practical decision devolved on the VICEROY in Council, acting under instructions from the SECRETARY of STATE. The decision was taken to depose the GUIKWAR as a political measure, and not as an execution of a judicial sentence. A child who has been placed on the vacant throne will be educated under the influence of one of the ablest of native statesmen, who, in the meantime, administers his dominion under English supervision. A common subject of interest was furnished to Englishmen and to natives by the announcement that the Prince of WALES had resolved to visit India. His determination, which had been generally approved at home, was received in India with enthusiasm. After a passing visit to Athens, and an interview at which he invested the son of the Khedive of EGYPT with the Grand Cross of the Order of the Star of India, the PRINCE landed at Bombay early in November. The welcome which

he has thus far received has been splendid, and it seems to have been sincere. The Native Princes and Chiefs appear to have been gratified by the PRINCE's demeanour; and though he will not have seen the country in its ordinary condition, he will have acquired much valuable information. The arrangements for the PRINCE's journey have, unfortunately, been deranged by the prevalence of cholera in some districts; but he will have had the opportunity of visiting all the great Provinces. The equanimity of Indian politicians has not been more than ordinarily disturbed by the progress of Russian dominion on the other side of the mountains. The tributary Kingdom of Khokand has given them much trouble, and the annexation of a part of its territory has not yet restored tranquillity. In the course of the Summer the reigning Prince, KHUDOYAR KHAN, who seems to have been contented with the position of a dependent of Russia, was dethroned by a unanimous rising of his discontented subjects. General KAUFMANN was not unwilling to recognize his son, whom the insurgents had placed on the Throne; but as the movement had really been directed against Russia, it became necessary to resort to force. The Khokand troops, under their new ruler, were repulsed in an attack on Tashkend, and, if the official reports may be trusted, they were utterly unable to offer any resistance to the Russians. Khokand has since been conquered and dismembered, but the inhabitants are again in arms, and they have obtained the aid of neighbouring tribes which had not previously come into contact with the Russians. There can be no doubt that discipline and organization will prevail; but for the present the Russians appear to be engaged in a troublesome and costly enterprise. It will be difficult to reduce the fanatical Mahomedans of Central Asia to willing and permanent submission.

The peace of Europe has not been disturbed. The alliance of the three great military Empires has been affirmed and reaffirmed with a pertinacity which might provoke suspicion if they were not all obviously interested in avoiding collision among themselves. In the course of the Spring some un-casiness was caused by a demand on the part of Germany that the Belgian Government should modify its criminal legislation, so as to render penal plots against the lives of foreign statesmen. The Belgian Government complied, in substance, with a demand which was not unreasonable ; nor would the correspondence have attracted attention but for rumours of war which were at the same time sedulously propagated by accredited German journals. A military party at Berlin affected alarm at a French law which had been passed for the organization of the Army. It was pretended that the French were preparing for an immediate war, and that it was necessary to anticipate their designs before they were fully ready for the struggle. The agitation would have been worthy of the French factions which at different times assailed LOUIS PHILIPPE or NAPOLEON III. with charges of tame and cowardly acquiescence. It may be inferred, from phrases afterwards used by Prince BISMARCK, that he was opposed to the menacing policy of the war party ; yet the crisis was sufficiently serious to justify diplomatic remonstrances on the part of the English Government, and the personal intervention of the Emperor ALEXANDER, who paid a visit to Berlin. German susceptibility was afterwards offended by an ostentatious announcement that the Emperor of RUSSIA had secured the maintenance of peace. The French Government had, in the meantime, waited in dignified silence for the result of a wholly unprovoked attack. Nothing could be further from the intention of Marshal MACMAHON or his advisers

than a premature war, which would have neutralized the recovery of the finances, and which would have interrupted the slow reorganization of the Army. All parties in France were sufficiently occupied with domestic political combinations. At the beginning of the year the duration of the Assembly and of the provisional state of affairs seemed likely to be indefinite. A Message from the President recommending the institution of a Senate produced no practical result; and a proposal by the Left Centre for the proclamation of the Republic was rejected by the Assembly. The first step to the enactment of a Constitution was the adoption by a majority of one of M. WALLON's proposal that the President of the Republic should in future be elected by a joint vote of the Assembly and the Senate. General DE CISSEY's Ministry had previously resigned, though they continued provisionally to hold office; the Extreme Left, through the factious abstention of the Legitimists and the calculated support of the Bonapartists, carried an amendment for the election of the Senate by universal suffrage. The MARSHAL, as might be expected, refused by a formal Message his assent to the amendment, and finally the Senate Bill was lost on a division. The deadlock of parties was at last relieved in consequence of the alarm which had been caused by the success of Imperialist candidates at two or three isolated elections. The majority of the Assembly consented for once to unite against a common enemy, and a Ministry which dates its term of office from the 10th of March agreed formally to recognize the Republic and to assist the Assembly in framing the Constitution. M. BUFFET, who had lately been re-elected President of the Assembly by a large majority, became head of the Cabinet and Minister of the Interior. M. DUFAURE, as Keeper of the Seals, and M. LEON SAY, as Minister of Finance, represented the Left Centre or Moderate Republicans. General DE CISSEY, who is a soldier

rather than a politician, resumed office as Minister of War. It was remarked with some surprise that the Duc d'AUDIFFRET-PASQUIER was excluded from the new combination. He found some compensation in succeeding M. BUFFET as President of the Chamber. The appointment of the Duc DECAZES as Minister of Foreign Affairs commanded general confidence. The Duc DE BROGLIE had temporarily become unpopular, and he would have been obnoxious to the Left, who for the time supported the Ministry. The unstable coalition which was represented by the new Government had been formally instituted on the 25th of February. On the proposal of M. WALLON, it was resolved that a Senate of 300 members should be elected by different methods. Seventy-five Senators were to be appointed for life,—in the first instance, by the Assembly, and afterwards by the Senate itself. The remainder were to be elected for shorter terms by the Conseils Généraux of the Departments, with the addition of certain local representatives of the smaller districts. The necessity of universal suffrage, which LEDRU ROLLIN invented in 1848, precluded all discussion on the constituency which was to return the Assembly. A singular clause, introduced at the instance of the Conservatives, provided that the Constitution might be revised at certain intervals. It has since been contended that Royalists may consistently support a Constitution which implicitly admits the possible restoration of their form of government. A more reasonable interpretation would seem to be that which limits further modifications by the maintenance of the fundamental principles of the Constitution itself. The State Constitutions of the American Union are subject to revision, and some of them are periodically revised; but the continuance of the Republican system is removed from the discretion of Legislature and people. A change

in the organic nature of government ought to be recognized as a revolution. The only remaining question was whether the elections should be made by Departments or by Arrondissements. M. GAMBETTA and the entire Democratic Party naturally supported the system of Departmental election, or *Scrutin de Liste*, which compels the voter to accept a list of candidates which has been prepared by the managers of his Party. All the Conservative sections unanimously preferred the *Scrutin d'Arrondissement*, which renders possible a personal choice, and which favours the claims of local eminence and popularity. When the Assembly met after the Recess, late in the Autumn, the Government, which still commanded a majority, succeeded in carrying the *Scrutin d'Arrondissement*. Members of the Chamber are to retain their seats for four years ; the Members of the Senate, after some preliminary arrangements, for nine years. The Assembly at last voluntarily placed a limit on its own tenure of power by enacting that the new Legislature shall meet on the 7th of March, 1876.

Though the Assembly which first met at Bordeaux in the disastrous commencement of 1871 has been guilty of many errors, it will occupy no ignoble place in history. In its number were included, without exception, all the most eminent of living Frenchmen, and it has proved, for the first time since the unfortunate collapse of the dynasty of LOUIS PHILIPPE, that France is sufficiently enlightened to allow itself to be governed by a Parliament. Public order has since the overthrow of the Commune been steadily maintained ; financial and commercial prosperity has been restored ; and successive Ministers have stoutly adhered to a prudent and pacific policy in foreign affairs. It is the misfortune, or fault rather of the nation than of the Assembly that all the great Parties are irreconcilably antagonistic to one another. Three factions—the ultra-Legitimists,

the ultra-Republicans, and the Bonapartists—are not even loyally disposed to give the new Constitution a chance of success. Some of them desire anarchy for its own sake, and some in the hope that it may prepare the way for an Emperor or a King. Unfortunately, the Ministers and their principal supporters share the prevailing distrust. The Duc DE BROGLIE obstinately and unwisely refused in preparing the Ministerial list of candidates for the Senate to give the Left a share proportionate to their numbers and influence in the Assembly. If he had been justified in his reliance on the support of the whole body of Conservatives, he would still have weakened the future Senate by confining the selection of nominated members to a single Party. In the result he encountered an unexpected and ruinous defeat, after he had furnished his adversaries with a precedent for the policy of monopoly and exclusion which they have eagerly adopted. The Minister's calculations were defeated by the alliance of a section of extreme Legitimists with their inveterate opponents. They preferred, as they said, an open enemy to a false friend, or, in other words, those who differ from them on every point to those who are separated from them by a shade of opinion. On condition of obtaining for themselves seventeen seats, which were readily conceded, the Legitimist deserters undertook to vote for the Republican list. In the confusion which ensued there appeared at first to be some danger that no election could be held. At the first ballot only the Duc D'AUDIFFRET-PASQUIER and M. MARTEL obtained absolute majorities; but the Left, when it had time to review its forces, found that the nomination of the entire body of Senatorial nominees was in its power. By a process of retaliation which, however natural, must have been regretted by thoughtful and more moderate politicians, nearly all the seats, after payment to the

Legitimists of the stipulated price of their adhesion, were appropriated to the Left. Among the Ministers only General DE CISSEY and M. WALLON were chosen ; and unless the constituencies repair the error of the Assembly, nearly all the most conspicuous politicians in France will be excluded from the branch of the Legislature which must derive its principal weight from the character and ability of its members. The Extreme Right and the Extreme Left openly oppose the institution of a Senate, and M. GAMBETTA, with those who belong to his shade of the Republican faith, would also prefer the concentration of power in a single Assembly ; but the experiment which was a main condition in the compromise by which the Republic was accepted ought to have been fairly tried. It is a perilous and weak policy to frame Constitutions as a great criminal lately arranged his box of dynamite, on the calculation that they will explode after a certain interval. The recriminations of Parties, which may, perhaps, be on all sides well deserved, are of infinitely less importance than the welfare of the country. The failure of a Conservative Republic has within two or three weeks become more probable than before, and the hopes of the partisans of the Empire have probably risen in proportion. The ultra-Republican faction or sect also hopes to profit by the internal feuds of Conservative politicians ; but it is certain that, among many competitors for power, France will not prefer the eulogists and successors of ROBESPIERRE. Much light will be thrown on the present feeling of the people by the impending elections for the Chamber. At the moment, the Republican leaders were greatly disconcerted by the rejection of the *Scrutin de Liste*, but the late victory of the Left in the nomination of Senators will revive the belief in their good fortune, and they have probably already adapted their plans to the new electoral machinery. No inference

can be drawn from the composition of the present Assembly, which was elected when personal qualities and position were regarded as more worthy of consideration than devotion to the cause of a Party. Six years have passed since universal suffrage decided by an overwhelming majority on the maintenance of the Empire.

The domestic history of Germany and Italy furnishes few subjects of comment. The German armaments have once more been increased by an extension of service in the Landsturm to the age of forty-two, bringing the whole defensive force on paper up to the number of 2,000,000. The Prussian laws against the Clergy have been both strictly enforced and increased in severity. One unforeseen result of Prince BISMARCK's legislation has been the impoverishment of the Protestant Clergy, who, since the acceptance of rites of the Church is no longer enforced by law, lose the fees which might have been paid by the large portion of their flocks which is wholly indifferent to spiritual ministrations. In Bavaria a portion of the higher nobility and the bulk of the lower classes have succeeded in returning a small majority of supporters of the Church, who are at the same time opposed to the Imperial system of national unity. In an address demanding the dismissal of the Liberal Ministry, the Ultramontanists imprudently offered a gross personal insult to the King. Their demand has, in consequence, been contemptuously rejected; and the Ministers for the present govern without a Parliamentary majority. It might be difficult to justify their conduct on the principles of responsible government, which, having been gradually elaborated in England, are supposed to be applicable to all other free countries. The Kingdom of Bavaria is both Constitutional in its form of government and theoretically independent, but it is at the same time an indispensable part of a powerful Em-

pire. It may be doubted whether the Imperial Chancellor will pay the same deference to a hostile Bavarian majority which a Colonial Secretary of State would accord to a Cape Parliament or an Australian Assembly. The King of ITALY has in the course of the year received two Imperial visits which are not without political significance. By visiting the King at Venice, which only nine years before had been included in his own dominions, the Emperor of AUSTRIA has formally ratified the new distribution of territory. The POPE alone persists in designating the ruler of all Italy as the Subalpine King. It was, perhaps, in gratitude for his obstinate protest that the ex-Duke of MODENA, who lately died, bequeathed to the POPE the legacy of his claims on the Duchy. The Emperor of AUSTRIA acquiesces with a better grace in accomplished facts. Some months afterwards VICTOR EMMANUEL received the Emperor WILLIAM at Milan, to the great gratification both of the Imperial guest and of the people of Italy. Notwithstanding the untiring combinations of the Vatican, the Italian dynasty and Government may be esteemed fortunate and secure, if the Ministers can only succeed in extracting a reasonable revenue from the half-civilized Provinces of the South, and in establishing a financial equilibrium. One cause of possible embarrassment has been removed by the unexpected moderation of GARIBALDI. On his arrival in Rome, for the purpose, as was supposed, of political agitation, his imagination was fortunately diverted to the state of the Tiber and to the desolation of the Campagna. He has since devoted himself, with characteristic energy, to projects of material improvement, and the Government has prudently encouraged a harmless and useful occupation.

Although the Civil War in Spain still continues, the prospect of eventual tranquillity has become

brighter through the establishment of a form of government which gives some promise of permanence. Exactly two years have passed since the incapable Republican Congress was summarily expelled to make room for the Provisional Government of SERRANO. Within a day or two of the next anniversary of the change, another military revolution was accomplished without difficulty or resistance. General MARTINEZ CAMPOS, at Murviedro, and the Captain-General PRIMO DI RIVERA, at Madrid, suddenly proclaimed the son of Queen ISABELLA as King, under the title of ALFONSO XII. The rest of the military leaders immediately concurred, and the nation, though it was never consulted, seems to have willingly acquiesced in the restoration of Monarchy. The King, a boy of seventeen, soon afterwards landed in Spain, and during a year's residence at Madrid he has acquired general favour by his graceful and manly bearing. The chief conduct of affairs has, with a short interval, been in the hands of SENOR CANOVAS DEL CASTILLO, who had been the young King's guide and political preceptor. The convocation of a Cortes has hitherto been postponed ; and the Ministers have followed the example of all their predecessors in more than one arbitrary exercise of power. Their first object was to reconcile to the new Government the powerful body of the clergy, which had been imprudently driven into hostility against the short-lived Republic. The sanction of the restored Monarchy by the POPE was considered by the Minister so valuable that he hastily offered as an equivalent the recognition of a Concordat by which some years ago Queen ISABELLA exchanged all the modern liberties of Spain for a personal amnesty. Later in the year a Papal Nuncio demanded the performance of the compact, which included the prohibition of religious nonconformity and the enforcement of spiritual sentences by the secular arm. By that time the

waning fortunes of Don CARLOS afforded a sufficient guarantee against the recognition of the Pretender by the Vatican, and the Ministers understood better than at their first entrance into office the repugnance of the nation to the mediæval pretensions of Rome. The temporary secession of CANOVAS DEL CASTILLO facilitated the disavowal of rash promises, and the Nuncio was forced to content himself with concessions which had been already secured. The influence of the Church over the Universities has been largely increased, and ecclesiastical property which had not been sold has been restored to its former owners. Negotiations between the Ministers and the leaders of the old Parliamentary parties have not yet produced any definite result. The adjournment of the elections may, perhaps, be attributed to a hope of decisive successes in the North, which might connect the restoration of peace with the revival of Constitutional government. All European Powers, including Russia, which had declined to acknowledge SERRANO's Government, recognized ALFONSO XII. without delay. The failure of King AMADEO to obtain national support has proved that, with the exception of Don CARLOS, the son of ISABELLA is the only possible representative of Monarchy in Spain. No Pretender will contest his claim when the Civil War is once ended ; nor have the Republicans since his accession renewed their agitation. An alleged Republican plot of General HIDALGO, which was followed by his arrest, seems to have been a private and isolated enterprise. In a series of desultory encounters the Carlists have from time to time inflicted checks on the Alfonsist Generals ; but their numbers are gradually dwindling, and their territory has been greatly reduced in extent by recent operations. Early in the Autumn MARTINEZ CAMPOS reduced the Carlist stronghold of Seo d'Urgel and

captured the garrison, with its Commander, LIZARRAGAY, and with the warlike Bishop of Urgel, who has since been detained in prison on a charge of homicide. After the fall of the fortress, Catalonia was rapidly cleared of Carlist forces, and the armies of the Government of Madrid are gradually closing round their remaining positions. Successive conscriptions have raised the Army, which had been reduced to an insignificant number by the Republicans, to a strength of 200,000 men, including a large proportion of soldiers trained to warfare by two or three campaigns. It is understood that as soon as the severest part of the Winter is over the KING will nominally assume the command of the Army, both for the purpose of mitigating the jealousies of rival Generals and in the hope that his name may be associated with the restoration of peace. If the expectation is realized, the Cortes will be summoned, and Spain will once more, after many failures, recommence the experiment of Constitutional Monarchy.

The termination of the Civil War at home may, perhaps, at last render it possible to suppress the chronic insurrection in Cuba. The Spanish Government has lately been reminded of the danger of foreign intervention by reports of a threatening despatch from the United States. It was afterwards understood that the American Minister at Madrid had only presented a Note, which had been some time before prepared, to be used when occasion might serve. The delivery of the Note was recorded in the American journals on the eve of important State elections; but the Republican successes in Pennsylvania and Ohio rendered it unnecessary to prosecute a quarrel which had never been serious. The most interesting circumstance in the domestic politics of the Union has been a reaction against the Democratic successes of the previous year. The Lower House of the Congress, which has recently commenced its first Session, was elected in

the Autumn of 1874, with a Democratic majority of sixty. The scandals which affected many members of the last Congress and some Government functionaries appeared at last to have broken the supremacy of a Party which had held power from the first days of the Civil War. Unfortunately for themselves, the Democrats were not prepared with a policy which would have enabled them permanently to profit by the unpopularity of their opponents. Some of their leaders rashly supported projects of inflation of the currency which were supposed to find favour in the Western States. In the canvass preceding the Autumn election in Ohio the Democratic managers pledged their party to Inflation ; and their political allies in Pennsylvania adopted the same policy, in opposition to the opinions of many of their adherents, on the ground that it was expedient to make common cause with the Democrats of Ohio. In the meantime the New York Democrats, under the guidance of Mr. TILDEN, who is Governor of the State and probable nominee for the Presidency, declared themselves in favour of an early resumption of specie payments. By an odd result of the elaborate Constitutional machine of the United States, the Lower House of Congress represents a party which, since the election, has ceased to enjoy public confidence. The PRESIDENT, during the remainder of his term of office, and the Republican majority in the Senate will effectually prevent any party legislation which may be attempted by the House of Representatives. The Republicans in the House have joined the Democrats in a nearly unanimous vote against the re-election of a President for a third term.

Amid superficial Party disputes, which but slightly affect the prosperity and progress of the nation, the Americans may congratulate themselves on exemption from anxieties which at

present weigh heavily on European Governments. The Eastern Question, depending on the antagonism of races in European Turkey, has once more risen to the surface. In the present instance provincial disturbances, which have already produced grave consequences, have been caused, not by foreign intrigue, but by local grievances. In the early part of the year acts of violence committed against one another by Turks and Montenegrins, on the frontier, excited passing attention. An inquiry into the merits of the dispute, held at Podgoritzza, led to no satisfactory result; but the quarrel had apparently been settled. In the middle of the Summer it was announced that an insurrection had commenced in the Province of Herzegovina, which adjoins Servia, Montenegro, Bosnia, and on the west the Austrian territory of Dalmatia. The provocation to the enemy was given, not by the Turkish officials, but by the Mahomedan landowners, who form an oligarchy of about one-third of the population. In Herzegovina, as in Bosnia, the resident Mahomedans are of the same Slavonic race and language with the Christians, having at the time of the Turkish conquest conformed to the dominant creed for the purpose of securing their property and privileges. As in other Provinces where the population is similarly constituted, the Mahomedans have systematically resented the introduction of modern Turkish reforms, which purported to secure the equal rights of Christians. At the first outbreak the Catholic Clergy induced their flocks to join in the insurrection, not through sympathy with their neighbours of the Orthodox communion, but in assertion of certain ecclesiastical pretensions of their own. The Government has since conceded their demands, and the Catholics have consequently withdrawn from the struggle. DERVISH PASHA, who commanded in the Province at the outset, displayed commendable

moderation, but he was deficient in vigour, and perhaps his forces were too weak to restore order. The Insurgents themselves and their resolute leaders were encouraged by the sympathy of their neighbours on all sides, and by hopes of foreign intervention in their favour ; but after a few weeks it seemed probable that the revolt would end, like many previous enterprises of the kind, in the re-establishment of Turkish authority. Montenegro was restrained from open interference by the commands of Russia, and Prince MILAN of Serbia publicly and successfully appealed to the Skuptchina against a Ministry which had attempted to involve the country in a dangerous quarrel. The Slavonic sympathies of Dalmatia and Austrian-Servia were not shared at Vienna or at Pesth, and rumours of an Austrian occupation of the disturbed districts proved to be without foundation. Russia has from the first consistently declined to support the cause of the insurgents, and the Russian Ambassador at Constantinople has recommended to the PORTE extensive concessions to the Christians, which have since been officially announced. The Insurgents and their advocates contend that the new regulations will, like many previous reforms, be found inoperative ; but Russia still professes confidence in the PORTE. Austria has been engaged in incessant negotiations with Russia, with a view to the adoption of a common policy. Germany, which has but a remote interest in the matter, has repeatedly announced a resolution, by following the lead of Russia and Austria, to maintain unbroken the alliance of the three Imperial Courts. Within less than three months from the outbreak of the insurrection, the PORTE found itself compelled to publish a disastrous confession of weakness. The supply of borrowed money, which had been constantly applied to payment of interest on previous loans, had at last failed, and the creditors of the PORTE were

informed that half the interest and sinking fund would be commuted for five years into new obligations, bearing interest at five per cent. The immediate sacrifice was less painful than the reasonable doubt which was felt as to the security of the remainder. It is now understood that the Turkish Government has provided for the payment of the reduced dividend for the current half-year ; but little confidence is felt in its future solvency. Though the collapse had long been foreseen by competent observers as inevitable, it nevertheless at the moment took capitalists and politicians by surprise. No other occurrence has done so much to create a belief in the early disruption of the Turkish Empire, and one immediate result has been the revival of the hopes and activity of the insurgents in Herzegovina. It would be useless to examine the apocryphal rumours of battles and victories which are freely circulated both by the Insurgent leaders and by the Turkish officials. The essential fact is, that, after five or six months, the revolt is still unsubdued, and that the progress of the struggle involves the Turks in constantly new embarrassments. Moderation to the Christians is generally followed by disaffection among the Mahomedans. In some places the Government troops have come into collision with Mussulman Insurgents. The warlike inhabitants of Montenegro trouble themselves less and less to disguise their participation in the struggle. The peace of Europe would be in serious danger if all the Great Powers were not for the time sincerely desirous to avert a crisis of which it would be impossible to foresee the issue. While rumours of Russian projects and of further insurrections in Turkey were producing general disquietude, Englishmen heard with pleased surprise that their Government had concluded the purchase, for £4,000,000, of about nine-twentieths of the shares in the Suez Canal.

The KHEDIVE, who was the owner of the shares, had attempted to sell them to a French Financial Company, and, on the failure of his negotiation, his offer to transfer them to the English Government was immediately accepted. During a period of nineteen years, for which the dividends have been alienated from the shares, the KHEDIVE is, according to the agreement, to pay five per cent. on the purchase money. At the end of that time it is possible that the shares may have risen in value, but a large outlay of capital will be required for the maintenance and improvement of the Canal. Although Lord DERBY has on some recent occasions exerted himself to depreciate the importance of the transaction, the popular impression that the measure was bold and politically prudent is not unfounded. During the recent sittings of a Commission at Constantinople on the Canal Dues, the French Government, with the support of Russia, consistently defended the interests of the French shareholders against the remonstrances of traders and shipowners. If M. DE LESSEPS could have reckoned on the support of his own Government, he would have resisted by force the ratification by the PORTE of the judgment of the Commission, perhaps with the result of provoking the conflict which Lord PALMERSTON apprehended when he opposed the project of the Canal. Doubts have been entertained of the legal powers of the English Government to vote at the meetings of the Company. But, however votes may be divided, the owner of half the capital, representing at the same time an overwhelming interest, political as well as commercial, in the transit will assuredly influence the policy of the Company. The chief merit of the Government is that, notwithstanding Lord DERBY's disclaimers, it has given notice to the world that free passage through Egypt must, at all hazards, be maintained. As a further proof of the

interest of England in the welfare of Egypt, Mr. CAVE, lately Judge-Advocate, has been sent on a mission to Cairo for the purpose of assisting the KHEDEVE in the re-organization of his finances. At the same time, in deference to the advice and wishes of the English Government, the KHEDEVE has withdrawn a force which menaced the territory of Zanzibar, and it is hoped that he has been induced to renounce the costly enterprise of avenging a defeat which an Egyptian Army lately incurred on the Abyssinian frontier.

At home the year has not been prosperous, although it has not been marked by any extraordinary disaster. Heavy rains in the middle of July, producing unusual floods in many parts of England, disappointed the expectations which had been formed of an average harvest. Still heavier floods in November caused great inconvenience and loss ; and, by an unfortunate coincidence, an unusually high tide on the Southern Coast and in the estuary of the Thames overflowed at the same time several districts, and more especially the low-lying parts of London. The condition of industry and trade shows for the present no sign of improvement. At the beginning of the year great suffering was caused in Glamorganshire and Monmouthshire by a dispute between employers and workmen. As usual in similar cases, either party charged the other with having commenced the contest. The Council of the Monmouthshire and South Wales Collieries' Association determined on a general Lock-out in consequence of a Strike of the men against some of the members of their body. The production of coal for sale was afterwards resumed ; but the iron manufacture, both in South Wales and throughout Great Britain, remains in a state of stagnation. The masters allege that the rate of wages is still too high to admit of a profitable trade, and the men are natu-

rally reluctant to surrender the remnant of the advance which they obtained four or five years ago. The Board of Trade returns have during the latter part of the year shown a reduction of exports, and the elasticity of the revenue is no longer maintained. Early in the Summer much uneasiness was caused both by a series of failures and by the consequent exposure of the laxity with which commercial transactions had in many instances been conducted. The Aberdare and Plymouth Iron Companies, which seem to have been long in an unsound state, suspended payment, and several other failures followed. The house of COLLIE and Co., which had, as it appeared, raised enormous sums by accommodation bills, stopped payment, and the principal partner soon afterwards absconded, after the commencement of a criminal prosecution. A remarkable symptom of the depression of trade is the difficulty of finding employment for money. The Bank rate of interest, which during the year had varied between two and four per cent., no longer affords an accurate index of the market rate of discount. The Joint Stock Banks have been compelled to abandon the practice of paying interest on deposits at one per cent. below the Bank rate ; and the supply of money has constantly exceeded the demand. The discredit which has been thrown on a large class of investments tends to aggravate the glut of money. The impression which had been produced by the investigation of the Foreign Loans Committee into the debts of Honduras, Costa Rica, and Paraguay has been revived by the conduct of the Peruvian Government in repudiating a contract for the sale of guano, with the result of suspending payment of dividend on its debt. The Turkish financial catastrophe has still further disturbed the faith of credulous investors in stocks which pay a high rate of interest. English Railway Stocks have risen in proportion to the distrust which affects less

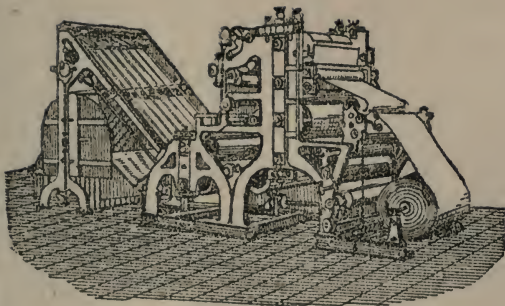
familiar securities. At present ordinary shares in the best lines can only be bought to pay about four per cent.

The Obituary of the year, happily, includes few names of the first order of celebrity. The death of the Emperor FERDINAND of AUSTRIA recalled the recollection of the old Austrian Empire as he inherited it more than thirty years ago from his father, the antagonist and father-in-law of NAPOLEON. The incapable EMPEROR was quietly deposed when the Hungarians were threatening Vienna, while CHARLES ALBERT had pushed RADETSKY for the time into the Venetian Quadrilateral. Before FERDINAND'S harmless life came to a close, the whole character and circumstances of the Monarchy had been changed, and, by a strange fortune, Austria is still a Great Power after retirement from Italy and exclusion from the German Confederation. Another relic of an almost forgotten past was LEDRU ROLLIN. Coarse fluency and vehemence made him a popular orator at a time when demagogues had extraordinary opportunities of success. As Minister of the Interior in 1848 he mimicked with servile fidelity the despotic insolence of the members of the old Committee of Public Safety. Even at that time Jacobinical tyranny had become an anachronism, and LEDRU ROLLIN, after a few months, succumbed to general indignation, dragging down with him in his fall the vain and brilliant LAMARTINE. An exile during the Empire, LEDRU ROLLIN was returned to the Assembly in the hope that he might become a leader of the extreme Republicans; but an interval of a quarter of a century would terminate almost any political career, and to a declamatory agitator it is fatal. LEDRU ROLLIN found that his commonplaces and his extravagances were of an obsolete type, and, after one abortive effort, he

never again addressed the Assembly. Count REMUSAT, one of the most eminent of the political and intellectual aristocracy which survived from the days of LOUIS PHILIPPE, was a serious loss to the section of moderate politicians which has accepted the Republic.

Lord ST. LEONARDS, who died during the year at the age of 94, was probably the greatest lawyer of his time. The successful monotony of his career was curiously illustrated by the employment of his old age in correcting new editions of famous law books which he had published in early youth, before he was called to the Bar. Mr. FINLAY, the historian of Greece, and the most capable observer of its political condition, was, through habitual residence abroad and from the limited interest which is felt in his peculiar subject, comparatively little known to general readers, but students of history acknowledged his learning and his authority, and, probably, intelligent Greeks may have recognized him as their soundest adviser. Sir CHARLES LYELL held a high rank among geologists, nor has any writer done so much to make his science popular and intelligible. His liberality and freshness of mind were proved by his adoption at an advanced age of theories which had been propounded by younger inquirers. Sir ARTHUR HELPS and Mr. KINGSLEY both enjoyed and deserved wide literary popularity. Sir ARTHUR HELPS's voluminous Essays and Dialogues were always ingenious, though never profound, and they had the great merit of being easy and pleasant to read. His novels were inferior to his Essays, and in his historical works he had the disadvantage of treading on beaten ground. If he had not been anticipated by ROBERTSON and PRESCOT, his "History of the Siege of Mexico" might have become the classical record of a marvellous enterprise. Mr. KINGSLEY had the temperament of genius, and

some of its qualities. He might have been a literary artist if he had not encumbered himself with a didactic purpose ; and he was somewhat too fanciful for a moral teacher. In ethics and theology he was a disciple of Mr. MAURICE, but he excelled his master in the faculty of exposition. The varied illustrations, the picturesque character, and the fitful impetuosity of his style accurately represented both the qualities and the imperfections of his mind. In point of intellect the most considerable person of all who have died within the year was the Bishop of St. David's, Dr. THIRLWALL. He was the greatest master in England of ancient and modern learning ; and one or two German scholars whose superiority to himself he professed to recognize probably shared little or nothing of his minute and accurate knowledge of practical affairs. Bishop THIRLWALL's Charges to his clergy stand alone among documents of the same kind in the vast knowledge they display and the comprehensive wisdom of the recommendations they contain. The most competent judges rank the Charges far above any other recent theological production. Bishop THIRLWALL's speech on the Irish Church Bill, for which he alone among the Bishops voted, was the best delivered during the debates in either House of Parliament. With the ecclesiastical follies and fashionable superstitions of the day he never deigned to meddle ; but he steadily discouraged proposals of persecution and exclusion. Not, perhaps, altogether fortunate in the destiny which made him a Welsh Bishop, he might, in a higher post, have served the Church of England better than any of his contemporaries as an ecclesiastical statesman. It was often remarked that, if he had pursued his original profession, he would have been one of the greatest of lawyers and Judges.



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